

Don't blame the officials

BY GEOFFREY OWEN

YESTERDAY'S report on the Chrysler rescue, produced by the Trade and Industry Sub-Committee of the House of Commons Expenditure Committee, adds little to public understanding of the affair and may be seen merely as another chapter in the long-running battle between the Sub-Committee and the civil servants in the Department of Industry. But on this occasion the criticisms, though superficial and often unfair, do shed some light on an aspect of the so-called industrial strategy which is sometimes underestimated—the ability of civil servants to carry out their part of the strategy in a way which will satisfy the Government and the House of Commons. The question which emerges is whether they are being asked to do the impossible.

A big dossier

One of the specific criticisms is that when the Chrysler crisis broke at the end of October last year, the civil servants in the Department of Industry "should have been better prepared for such a contingency". The Government had after all, been closely involved with Chrysler ever since the first investment in 1964: a big dossier of information had been built up. In the months immediately preceding the crisis the Department was processing Chrysler's application for industry Act assistance and was looking at the relevant figures "in very great detail". Yet the Department was apparently unaware that the company was rapidly running out of cash. This the Sub-Committee finds surprising.

There are a good many examples from the private sector where even directors on the main Board have been unaware of an impending financial crisis until it was already upon them. In apparently well-managed companies the reporting procedures have been known to break down, with the result that a major subsidiary can get into such deep trouble as to threaten the entire business. How much more difficult it must be for outsiders, with no direct experience of the business, and limited staff resources, to get at the full facts.

No doubt the civil servants must try to do so if their Ministers so instruct them, but the detailed monitoring of a company in which the taxpayer has, or might have, an indirect stake, is a formidable undertaking. It should, in theory, be easier for an organisation like

the National Enterprise Board, which actually owns most of the companies it is supposed to be monitoring. But there is no suggestion that all rescue cases, or all cases of selective Government assistance, will be handled by the NEB; this work will remain with the Department.

Planning agreements will not, by any stretch of the imagination, solve the problem. The Sub-Committee is understandably puzzled about what "PA's" (an abbreviation for "Planning Agreement") are, and how they are supposed to be used. They are basically an exchange of information between companies and the Government about their respective plans, but what happens if their plans conflict? No one knows. In relation to Chrysler the Sub-Committee cannot see how the existence of a planning agreement would have increased the Government's awareness of the company's problems or have provided a solution.

If the Department is to make absolutely sure that it will never be caught napping by a sudden crisis in one of its clients or potential clients, it will have to employ an array of specialists in finance, production and so on—who will tramp round the factories, filing regular reports and incidentally making life unbearable for the people trying to run the business. That, of course, is out of the question.

Private sector

The fact is that when the Government commits public money to a private sector company, it is taking a risk: it is making an entrepreneurial judgment that the management of the company will make a use of the money back. If the civil servants have so little confidence in the management that they try to second-guess all its major decisions (which sometimes seems to happen with the nationalised industries), then either they should not have put the money up in the first place or they should have insisted on a different management. The exercise of entrepreneurial judgment is very difficult to square with the principles of public accountability which the House of Commons rightly insists on. It is also a skill which civil servants, because of their background, training and experience, find very difficult to acquire. The fault lies not in the civil servants, but in an industrial policy which puts immense burdens upon them. What needs to be changed is the strategy, not the officials.

Judo no g for Mr. Cho

IT IS possible to enjoy oneself in Montreal. At night, when the dust of the Games has settled, this attractive city, a sky-scraped Paris, becomes an Olympic carnival.

The French restaurants in Old Montreal are full, the night clubs, I am told, are hospitable, and on Crescent Street, where musicians and jazzers and miners emerge after dusk, life is one long party.

It is equally possible in Montreal to go on your knees into the sand that events and hours merge.

Consider an evening taking in soccer, judo, basketball and wrestling in a four-hour whirl.

If they ever do get round to slugging the Olympics it is the team events—soccer, basketball, handball, field hockey and volleyball—that most deserve the chop.

The soccer tournament is the most questionable of all, a domestic benefit competition for the amateurs of Eastern Europe. No one else gets a look-in. It's a Russia v East Germany semi-final.

Surprisingly, the stadium is three-quarters full (tickets for this semi-final cost \$2 to \$10). After elimination from the European championship, the Dynamo Kiev stars of the full Russian side were transferred to the Olympic squad, which is why European footballers of the Year, Oleg Blokhin, is out there on the field.

The pitch has been sodden by a thunderstorm but both teams are coping. Wolfram, an East German Charlie George, races to a stop pass, performs a tremendous balancing act and his post. Then Burial fouls Hoffmann. The Warsaw Pak looks temporarily shaky, but like the hardened professionals they are, both men nod and get on with the game.

A corner Vladimir Oshchennikov rises high among the East Germans but heads just wide. Score at halftime 0-0. Later, Dornier (penalty) and Kurbiel score for the German Democratic Republic. Kholiv (penalty) for Russia. GDR meet Poland (who beat Brazil 2-0) in the final.

OLYMPICS 76

MICHAEL THOMPSON-NOEL REPORTS FROM MONTREAL

The vocabulary of the sport is as complicated as the scoring. A compounded win is a *sogo-uchi*. A *ke-uchi* is almost an uppin, which is a full point, so a win with a *ke-uchi* is almost a *ke-uchi*. Really rather simple.

Britain's hope is David Starbrook, the Munich silver medalist, a shambling 30-year-old with a chin the size of Dover Castle. He's already into the technique in pool A, so is doing well.



Assured of a bronze medal British bantamweight Pat Cowdell now meets North Korean southpaw Gu Young Jo for a place in Saturday's final.

immense Korean with coal-black cropped hair, mean-wide shoulders, and an expression of the greatest villain—like Starbrook himself, not a man to tangle with on a dark night.

They are called Starbrook's. They are called Starbrook's. They are called Starbrook's.

Stadium officials were unable to decide on placings from the routine photograph and had to call for an enlargement.

Mary Stewart, from Birmingham, was not unduly troubled in reaching today's semi-final. Making a perfectly judged run, the 20-year-old clerical officer, sister of Ian Stewart, finished fourth in her heat. All four qualifiers crossed the line within two strides of each other.

The race went to Gabriel Dorio, of Italy, in the slow time of 4 mins. 10.94 secs. Miss Stewart returned 4 mins. 11.99 secs, several yards clear of fifth-placed Marietta Puleo.

Stewart was always nicely placed in case there was a fierce dash for the line, and when America's Janice Merritt raised the pace with 300 metres to go, Miss Stewart was able to stay with it.

It was very slow. Not until after 500 metres did we start to run hard," Mary said afterwards. "I was just out to qualify. I could have gone a lot faster if I had wanted to win."

Doag Farham, Britain's chief hope for a bronze medal, narrowly qualified for

Six women baffle judge in a hairline finish

A heat of the women's 1,500 metres yesterday produced a remarkable finish as the Olympic stadium is ever likely to see. Only a tenth of a second separated the first six competitors.

Judges spent over half an hour poring over a photograph before they were able to settle on placings. The winner was eventually given as Ludmila Bragina, the Russian defence champion, who had a distinction of setting world records in all three rounds of the event when it was first run in the Olympics in Mexico four years ago.

Miss Bragina, who celebrated her 33rd birthday four days ago, won in 4 minutes 21.1 seconds after a desperate lunge for the finishing line.

The sixth woman home was American Francie Larrieu in 4-21.21, as six of the eight winners crossed the line with no daylight showing between them.

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New Zealand's John (centre) for the 150 The first heat took place the semi-finals on Friday and on Saturday.

has appeared in the national Olympic (can drop riding events, that alone they are cock-fighting could at the programme.

Known as a lawyer country has won a gold silver and a bronze riding events, both of which are considered to be the most prestigious of the sports.

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TV Radio

1 Indicates programme in black and white
BBC 1
9.45 a.m. The Adventures of Tin Tin. 9.50 Jackanory. 10.05 Belle and Sebastian. 10.30 Roobarb. 10.35 Vision On. 12.20 p.m. On the Move. 12.30 Olympic Grandstand. 1.30 Bagpuss. 1.45 News. De-00 Olympic Grandstand including Racing from Goodwood. 4.25 Play School. 4.50 Newsworld Extra. 5.15 The Judo Tree. 5.40 Sarabapa.

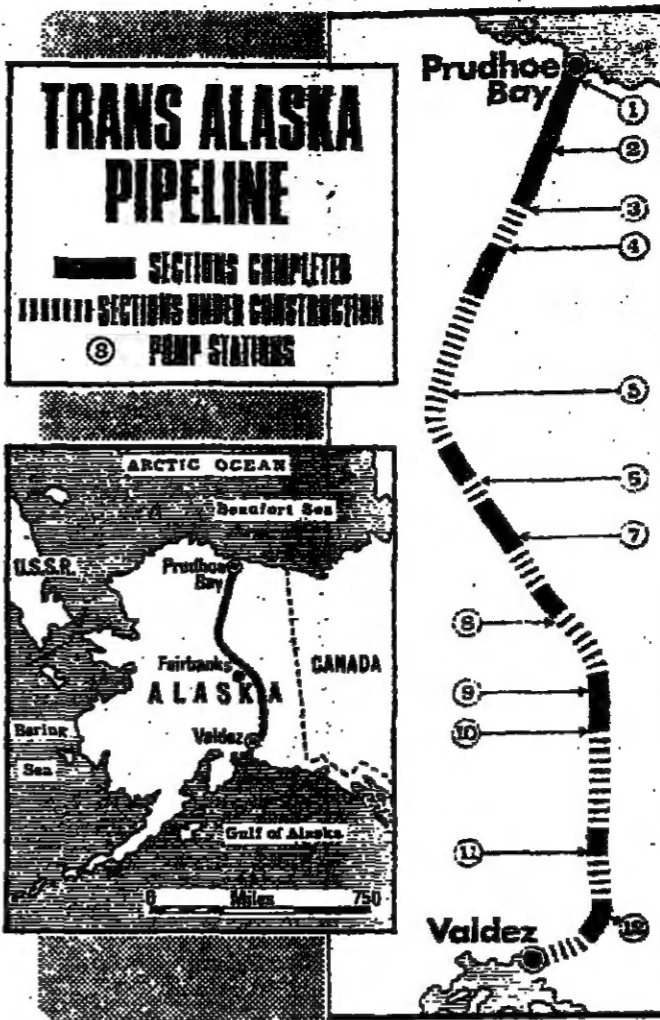
5.45 News. 6.00 Nationwide (London only). 6.15 Bellamy's Europe. 6.45 Top of the Pops. 7.15 Olympic Grandstand. 9.55 Olympic Grandstand including 11.15 Late Night News Headlines. All regions as BBC-1 except at the following times:—
WALSLEY-5.55 p.m. Pen Draw'r. 5.55-5.40 Heddie. 6.00-6.15 Wales Today. 11.15 Late Night News Headlines.

SCOTLAND—6.00-6.15 p.m. Reporting Scotland. 11.15 Late Night News Headlines.
NORTHERN IRELAND—6.00-6.15 p.m. Scene Around Sls. 11.15 Late Night News Headlines.
ENGLAND—6.00-6.15 p.m. Look North (from Leeds, Manchester, Birmingham, Liverpool, London, Newcastle, Norwich, Plymouth, Southampton, Swansea, and West (from Plymouth)).

ATV MIDLANDS
11.00 a.m. Stintars. 11.35 Survival. 11.50 David Hunt. 12.00 p.m. 12.15 News. 12.30 The Time Tunnel. 12.45 The Time Tunnel. 12.50 The Time Tunnel. 12.55 The Time Tunnel. 1.00 The Time Tunnel. 1.05 The Time Tunnel. 1.10 The Time Tunnel. 1.15 The Time Tunnel. 1.20 The Time Tunnel. 1.25 The Time Tunnel. 1.30 The Time Tunnel. 1.35 The Time Tunnel. 1.40 The Time Tunnel. 1.45 The Time Tunnel. 1.50 The Time Tunnel. 1.55 The Time Tunnel. 2.00 The Time Tunnel. 2.05 The Time Tunnel. 2.10 The Time Tunnel. 2.15 The Time Tunnel. 2.20 The Time Tunnel. 2.25 The Time Tunnel. 2.30 The Time Tunnel. 2.35 The Time Tunnel. 2.40 The Time Tunnel. 2.45 The Time Tunnel. 2.50 The Time Tunnel. 2.55 The Time Tunnel. 3.00 The Time Tunnel. 3.05 The Time Tunnel. 3.10 The Time Tunnel. 3.15 The Time Tunnel. 3.20 The Time Tunnel. 3.25 The Time Tunnel. 3.30 The Time Tunnel. 3.35 The Time Tunnel. 3.40 The Time Tunnel. 3.45 The Time Tunnel. 3.50 The Time Tunnel. 3.55 The Time Tunnel. 4.00 The Time Tunnel. 4.05 The Time 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BY DAVID BELL IN WASHINGTON

NEW YORK, July 26.



OVERSEAS NEWS

OAU Secretary hopeful of Uganda-Kenya accord

BY QUENTIN PEEL

NAIROBI, July 28.

SERIOUS effort at finding a dispute. This was in line with OAU policy of settling differences between member states "by mediation and conciliation."

The OAU secretary general said he was hopeful because both countries were committed to the principles of the Organisation, and neither country wanted war. Mr. Eteki has the advantage in his latest role of having worked with President Amin for the past year when the latter was OAU chairman.

He said that he wanted to find a solution which would be long term, although the immediate problem was to solve the tension at the border, and find a solution to Uganda's claim of a Kenyan blockade. Kenya maintains that the real disagreement is about the start of the year when President Amin laid claim to large chunks of Kenyan territory.

"We know that Uganda claims to be suffering a blockade, and Uganda comes under the law of

landlocked countries," Mr. Eteki said. "We have to know if this is true."

Kenya had shown goodwill in being open to mediation, he added, and the seven conditions which she announced yesterday, including the back payment of debt, and an end to military threat and the persecution of Kenyans in Uganda, would be a good basis on which to try to organise mediation.

Mr. Eteki gave no firm indication of his future movements, except to say that he plans to see the Ugandan authorities after talking to Kenya.

Meanwhile the chairman of Kenya's national electricity company urged consumers to be careful in their use of power, although he insisted that the loss of hydroelectric supplies from Uganda, which were cut off at the weekend, would not mean anyone without power. Kenya had enough reserve capacity to cope, but the cost of running oil-fired generators would be greater, he said.

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Remaining Britons in Uganda hopeful

By Our Foreign Staff

THE BREAK in relations with Uganda has not placed British missionaries who make up most of the remaining 220 Britons there, in any immediate danger, as far as the missionary societies in London can judge.

A spokesman for the Church Missionary Society, which has 33 missionaries in Uganda, said yesterday that according to first hand reports "the situation is much the same as it has always been. The people there seem to appreciate the jobs the missionaries are able to do—mostly in specialist fields. The Catholic Mill Hill Fathers admitted getting reports of food and petrol shortages, but a spokesman reiterated the group's policy of letting the people on the spot make the decisions whether to leave or not."

When the latest row between Britain and Uganda blew up a month ago, there were only 11 Britons—teachers and the odd technical expert—who were getting their Ugandan Government salaries "topped up" by Britain under the Overseas Service Aid Scheme, at a cost of £40,000 a year. Some of these 11 are believed to have left now, but it was emphasised in London yesterday that the "topping up" to the remainder would continue because this was money paid direct to the individuals and not to the Ugandan government.

British investment in Uganda now only amounts to a residue of between £10 and £20m. And trade is tiny too. Last year Britain exported only £7m. worth of goods, mainly machinery, and imported £30m. mainly coffee. Within the last month most British head offices have recalled, or are recalling, their British staff from Uganda, although a spokesman in London for Grindlays Bank—which along with Barclays and Standard Chartered has only British banks operating in Uganda—said last night its British general manager would be staying on in Kampala.

PLO and its Lebanese allies seek changes in peace pact

BY IHSAN HIJAZI

BEIRUT, July 28.

THE PALESTINE Liberation Organisation and its Lebanese allies are seeking changes in the "draft agreement" which was worked out in Damascus during talks between Mr. Abdel Halim Khaddam, the Syrian Foreign Minister, and Mr. Farouk Kaddoumi, head of the PLO's political department, in Damascus two days ago.

The changes were proposed at a series of meetings held here throughout yesterday by guerrilla leaders headed by Mr. Yassir Arafat, chairman of the PLO, and representatives of the Lebanese Left-wing Muslim alliance led by Mr. Kamel Jumblatt.

There are indications that the U.S. and the Soviet Union may be co-operating to bring pressure on the conflicting parties to bring about a settlement. At the weekend both the American and Russian Ambassadors to Syria, Mr. Richard Murphy and Mr. Noureddin Mohieddin, were recalled home for consultations.

Mr. Jumblatt objected that the Syrian-Palestinian draft agreement made no reference to withdrawal of Syrian troops from the Lebanon. The Muslim-Left alliance was reported to have criticised Syria's insistence that the reform programme agreed in February by Mr. Suleiman

Frangieh, the titular President of the Lebanon, should be the main topic on the agenda of the proposed round-table conference of the warring factions, which would be called to discuss a political settlement to the 16-month civil war.

According to Beirut Press reports, Syria has pledged verbally to withdraw its troops in the near future only from Sofar, the commanding position overlooking Beirut, to the Bekaa Valley behind the mountain range. The Muslim Left is also said to be angered that the accord puts the Palestinian aspect of the crisis before its own preoccupations.

"Among them is the so-called 'constitutional document' hammered out by Mr. Frangieh and the Syrians. The Muslim Left rejected it, claiming it would consecrate, rather than eliminate Lebanon's system of distributing ministerial and other positions along religious lines."

Mr. Kaddoumi will ask the Syrians to delay the establishment of the proposed Palestinian-Lebanese committee to implement the 1969 Cairo accords—which were drawn up to regulate the guerrilla presence in the country—until Mr. Elias Sarkis, the President-elect, takes

office in the last week in September on the formal expiry of Mr. Frangieh's term. The Christian Right has received Syrian backing for its insistence that the accords should be observed as part of a settlement.

The PLO appears willing to accept the Syrian terms because the alternative would be an outright military confrontation with the 15,000 Syrian troops now in this country.

Louis Fares reports from Damascus: The Right-wing Christian emissaries who arrived here earlier in the week continue to repeat assurances said to have been given by President Assad that "the presence in Lebanon of Syrian troops is not negotiable." They also say that the Christian alliance will continue to fight until the road from Naas to East Beirut and the highway from Damascus to Jounieh through Antourah is reopened.

Because of the objections raised in Beirut about the draft agreement the expected visit here of Mr. Arafat has been postponed.

The International Red Cross said that it planned to start its long-delayed evacuation of the estimated 1,000 wounded Palestinians from the beleaguered Tel al Zaatar refugee camp tomorrow.

Malaysian Premier warns oil groups

KUALA LUMPUR, July 28.

MALAYSIAN Prime Minister Datuk Hussein has warned foreign oil companies that his Government might take over their production rights in Malaysia if they failed to reach a production sharing agreement with the National Oil Company, Petronas.

Datuk Hussein delivered the warning in a meeting with senior oil company executives aimed at breaking a 15-month deadlock in production sharing negotiations between the companies and Petronas.

The Prime Minister's statement, published here to-night, gave no indication of a deadline for the negotiations.

But all industry sources said the Government set November 15 as the date by which an agreement should be reached, Reuter.

Angola ban

Angola has temporarily stopped foreigners entering the country, the Yugoslav News Agency Tanjug reported from Luanda, reports Reuter from Belgrade.

Turning quoted Prime Minister Lopo Do Nascimento as saying the ban was necessary because of a large and uncontrolled influx of returning Angolan refugees from Portugal.

Bangladesh aim

President Abu Sadat Mohammed Sayem of Bangladesh has reaffirmed his commitment to return his country to a parliamentary form of government through a general election in February next year, reports Reuter from Dhaka.

In a meeting last night with the country's top political leaders, he said that political activities would be resumed on August 15, the date he set soon after he assumed the Presidency last November.

The official Bangladesh News Agency (BSS) quoted political leaders as asking the Government not to allow "unbridled political activities." They suggested that initially all political meetings should be held indoors.

Reef schools set alight

BY STEWART DALBY

JOHANNESBURG, July 28.

LEAST six schools were partly set alight to-day in Soweto, black sister township to the white suburb of Johannesburg, as the emerging dispute over the Reef (the area around Johannesburg) continued.

A fire broke out, principal of schools in the township considering a further school to Mr. Jimmy Kruger, the Minister of Police, to withdraw heavily armed police patrols have been out in force in townships since last week, on grounds that they are provocative.

It broke out last night in Soweto, Tokozia, outside Alberton and Kasieng, near Germiston.

A Tokozia fire swept through Phokabaka Secondary School this morning and arsonists tried to set fire to the neighbouring Steng school, but in Soweto, at least four schools were damaged by fires in either classrooms or principals' offices.

Of these areas were affected the riots last month in the townships during which 176 people were killed and over 1,000 injured.

The schools affected in Soweto to-day's fires included Orlando School which was at the site of last month's riots. The

riots had been sparked off by a dispute among black school children concerning the use of Afrikaans as a medium of instruction in some subjects in schools.

Schools had been due to reopen last Tuesday, having been closed during the riots in the early part of June. Mr. Jimmy Kruger decided however that the security risk was too great and kept the schools closed, while heavily armed police, with some schools were reopened last Thursday but the attendance was very low and it has not been clearly established (non authorised whites, including journalists are prohibited from entering the townships) whether this low turnout amounts to an organised boycott, or whether schoolchildren have been alienated by the sight of massive police presence on the one hand and groups of black activists on the other restraining them from entering schools.

The number of incidents arising from the presence of police seems to confirm that black schoolchildren do find them provocative.

General Gert Prinsloo, the Commissioner of Police for Soweto, said to-day that police patrols would be suspended if the situation seemed to warrant it.

All-Nippon chiefs are charged

TOKYO, July 28

THE President and the managing-director of Japan's domestic All-Nippon Airways (ANA) were charged to-day with illegally receiving ¥50m. (\$35,000) from the U.S. Lockheed Aircraft Corporation, the public prosecutor's office said.

The office said that ANA president Tokoku Waka, 61, and managing director Keiichi Fujiwara, 48, who also heads the company's management control office, were charged with receiving the money from Lockheed in violation of the foreign exchange and trade control law. All-Nippon Airways signed a contract to purchase 21 Lockheed TriStar airliners in October, 1972.

The new charges came 30 hours after the announcement that former Prime Minister Kakuei Tanaka was being detained by the prosecutor's office on suspicion of illegally receiving ¥50m. (\$35,000) from Lockheed through the Marubeni Corporation, the American company's agent in Japan.

Prosecutors have 20 days in which to charge Mr. Tanaka, who was forced to resign the premiership in December, 1974, over questions about his financial affairs.

Three other senior ANA officials have already been charged with violation of the foreign exchange and trade control law, while two former officials of Marubeni have been charged with perjury before a Parliamentary committee looking into the Lockheed scandal.

Mr. Takao Miki, who replaced Mr. Tanaka as Premier, told a Lower House select committee on the Lockheed affair to-day that investigations into the scandal have not yet reached their climax. But he added that the climax could be expected in the near future, Reuter.

● Moscow: Two Japanese businessmen were arrested here on bribery charges only 24 hours before their company signed a multi-million dollar deal with the Soviet Union, a Japanese embassy spokesman said to-day.

The businessmen, identified as Tanehisa Takagi and Yukio Miyazawa, were arrested by Soviet police on Monday after weeks of negotiating the deal on behalf of the Nichimen Jitsugyo company, the spokesman said. They have been charged with giving bribes to an unspecified person, the spokesman said.

British investment in Uganda now only amounts to a residue of between £10 and £20m. And trade is tiny too. Last year Britain exported only £7m. worth of goods, mainly machinery, and imported £30m. mainly coffee. Within the last month most British head offices have recalled, or are recalling, their British staff from Uganda, although a spokesman in London for Grindlays Bank—which along with Barclays and Standard Chartered has only British banks operating in Uganda—said last night its British general manager would be staying on in Kampala.

Problems admitted at SALT talks

GENEVA, July 28.

SOME PROBLEMS holding up a new Strategic Arms Limitation (SALT) Agreement remain to be solved by the U.S. and Soviet Governments, the top U.S. nuclear arms negotiator said to-day.

Ambassador-at-large Alexis Johnson was answering a reporter's question before a plenary session of the U.S. and Soviet delegations.

In a rare departure from the strict secrecy surrounding the complex negotiations, Mr. Johnson and Soviet Deputy Foreign Minister Vladimir Semynov allowed a Swiss television reporter to pose two questions before they began their meeting in the Soviet diplomatic mission here.

The newsman asked, "Do you think that there are some problems that are being considered between the two capitals?"

Mr. Johnson did not elaborate, but observers said they believed he was referring to differences over weapons to be covered by the new pact and how to count them.

The negotiators are trying to complete details of a new SALT Agreement limiting each side to 2,400 intercontinental missiles and bombers, and allowing 1,320 missiles to be fitted with multiple warheads (MIRVs).

Mr. Leonid Brezhnev had all said Reuter

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Hope in mines dispute

BY OUR OWN CORRESPONDENT

JOHANNESBURG, July 28.

THE final counting going this evening in the white Miners Union ballot to decide whether to strike over a five-day strike there were signs that the Government is prepared to intervene to avert a stoppage.

Mr. Ben Lindeque, the Secretary of Labour said that "unsuccessful efforts are being made at Government level to avert a strike on the gold and coal fields."

The 8,000-strong white Miners Union finished a ballot over the strike, amid indications that sentiment was

strongly in favour of stopping work.

Although only 8,000 men are directly eligible to vote, a further 19,000 white workers could be affected.

But worse than this, since the white workers hold many positions, the strike, if it materialises, has the potential to cripple the coal and gold mining industries, and, by extension the economy.

It is estimated that some 400,000 blacks work in the mines in South Africa. Gold is, of course, the lynch pin of the country's economy, accounting for over one-third of its visible exports.

However, there were signs to-day that the Government is extremely anxious to avoid a strike. Mr. Lindeque said that the Government remains in constant touch with the Mine Workers Union and the Chamber of Mines.

In addition Mr. Lindeque revealed that he had earlier this week held a meeting with Mr. Arre Paulus the powerful leader of the Mine Workers Union.

African Presidents will meet

DAR ES SALAAM, July 28.

INFORMED sources said the three Presidents were expected to discuss recent clashes between Rhodesia and Mozambique troops, and Zambian allegations of South African attacks on its territory.

Unofficial reports reaching Salisbury yesterday said Rhodesian and Mozambican troops fought a lengthy battle with heavy armaments in eastern Rhodesia last week.

The United Nations Security Council is this week discussing Zambian's allegations of attacks by South Africa.

Reuter

Swapo dissidents are moved

Lusaka, July 28.

THE group which left Lusaka by air on July 18, included two executive Board members, Mr. Andreas Shipanga and Mr. Solomon Mifuma, and leaders of Swapo's militant youth wing, the sources said.

Last week, Zambian attorney general Mainza Chona said Mr. Shipanga had gone to Tanzania willingly as a result of a collective decision by the Swapo executive. But a lawyer acting for Mr. Shipanga said his client had always expressed unwillingness to go to Tanzania or be handed over to fellow Swapo members. Relatives of Mr. Shipanga said they had not heard from him and did not know his whereabouts.

His lawyer said last week he was still holding Mr. Shipanga's passport.

Reuter

NOTICE OF REDEMPTION

PEPSICO OVERSEAS CORPORATION

4. Guaranteed Debentures Due 1981 (Convertible On and After September 1, 1967 Into Capital Stock of PepsiCo Inc.)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the indenture, dated as of March 1, 1964, between PepsiCo, Inc., a company duly organized and existing under the laws of the State of Delaware (the "Company"), and Marine Midland (formerly known as Marine Midland Trust Company of New York), a corporation duly organized and existing under the laws of New York (the "Trust"), the Company has exercised its right, pursuant to the provisions of the indenture, to call for redemption of the Debentures.

Redemption Date: August 15, 1976.

Redemption Price: The redemption price of the Debentures is 102% of the principal amount of the Debentures, plus interest accrued to the redemption date.

Redemption Procedure: The payment of the amount to be received on redemption will be made by the Company at Citibank, N.A. (111 Wall Street, New York, New York 10015) or at the office of Citibank, N.A., in London (Citibank House, 336 Strand), where, or the office of Citibank, N.A. in Luxembourg, upon presentation and surrender of the Debentures with all coupons, accompanied by a statement signed by the holder of the Debentures certifying that the Debentures are not lost, stolen, or otherwise invalid.

Conversion: Subject to the terms and provisions of the indenture, the principal amount of the Debentures may be converted at any time prior to the redemption date at the option of the holder of the Debentures into a number of shares of the common stock of the Company (the "Common Stock") equal to the principal amount of the Debentures divided by the conversion price of \$16.50 per share.

Notice: The Company will not be bound by any conversion of the Debentures unless the holder of the Debentures has first notified the Company of his intention to convert the Debentures.

Interest: Interest on the Debentures will be paid quarterly on the first day of January, April, July, and October.

PEPSICO OVERSEAS CORPORATION

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EUROPEAN NEWS

Giscard's 'right-hand man' resigns

By Robert Mauchner

PARIS, July 28.

President Giscard d'Estaing's right-hand man and a top official at the Elysee Palace, M. Claude Pierre-Brossolette, has been replaced by M. Jean Francois-Poncet, State Secretary at the Foreign Ministry, and is shortly expected to be appointed as chairman of the Credit Lyonnais, one of France's three nationalised banks.

No official reason has been given for the departure of M. Brossolette, who has been at M. Giscard's side since his election to the Presidency in May 1974, and several years before then as Head of the Treasury. A presidential spokesman would say only that it was not a political move connected with any possible Government reshuffle.

It appears, however, that M. Brossolette has not seen eye to eye with a number of the President's more controversial initiatives and policies, and has been frustrated by seeing his advice ignored.

Men and Matters, Page 16

Execution in France revives controversy

MARSEILLES, July 28.

A 22-year-old man was executed today for the kidnapping of an eight-year-old girl, reviving the controversy over use of the death penalty in France.

Christian Rauweri went to the guillotine at dawn, condemned for the murder of Maria Dolores Rambla in 1974. She was kidnapped and her throat was slit.

Rauweri was the first person executed in France since 1973. He was a Tunisian Ali Benayene, also a child murderer, executed in 1973.

During the Presidential election campaign M. Giscard d'Estaing expressed profound aversion for the death penalty and in February this year he reprieved a 17-year-old boy sentenced to death for robbing, torturing and killing a 69-year-old woman.

Now he faces a similar decision on four other condemned murderers. They include the two gypsies sentenced last month in Toulouse for murdering a British couple, Robert Lister and Joyce Jaffe.

Reuters

EEC 'task force' probe into Irish economy

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, July 28.

THE EEC Commission has taken a significant step towards expanding its involvement in the economic policy of member states by mounting a special investigation into methods which the Community might use to alleviate the problems of the Irish economy.

This move, believed to be the first of its kind in Community history, has the potential implications going well beyond Ireland itself and could set a precedent for a more active Commission role in helping other Common Market countries overcome economic difficulties.

A recently-established Commission task force has already visited Ireland and prepared a report which paints a candid picture of the major challenges facing Irish economic policy, including continuing rapid rates of wage inflation and the probability that unemployment will remain high in the years ahead.

The report outlines a number of ways in which the Community could encourage faster development of the economy, notably by increasing disbursements to Ireland from the EEC social, regional and agricultural funds and the European Investment Bank. It suggests that any significant increase would, however, require an enlargement of the EEC budget.

But the Commission has ruled out any enlargement of this year's budget, an official spokesman said today. He indicated that one possible solution to the problem might be to speed up the often lengthy procedures for processing applications for EEC funds.

There are several drawbacks to such an approach, however. The IRA's share of regional fund money has already been fixed, while new social fund grants would require matching funds from the Government and money from the farm fund would, obviously, not go to the industrial sector where it is most needed.

The task force report does not mention this specific "tyranny" of the EEC's highest.

The IRA stated: "Plant and machinery now sited in Ireland are almost the most attractive EEC aid measures after it was even at full production to reduce the rate of unemployment to acceptable levels because of the rate of expansion of the national work force."

The current investigation from Ireland's request for EEC aid measures after it was even at full production to reduce the rate of unemployment to acceptable levels because of the rate of expansion of the national work force.

The grant from the European Commission Social Fund is to be used for the re-training of the Irish labour force.

result of the special EEC study, Finance Minister Mr. Richie Ryan recently commented that he believed the report had been very helpful in proving the point that the Irish Government has repeatedly made to EEC institutions—that the Republic's structural problems so weighed resources that only "significant" help from the Community would enable the Government to maintain European standards.

In its efforts to push for direct and unconditional aid, Ireland has been attempting a difficult balancing act. On the one hand it has been glad to highlight its economic problems, for it now heads the EEC's unemployment and inflation league tables, while at the same time attempting to defend its current economic policies. Mr. Ryan lost no time in criticising the EEC task force's report for "miscalculations," notably those projections that were more pessimistic than the ones made by his own Department of Finance.

Unemployment outstrips creation of new jobs

BY GILES MERRITT

DUBLIN, July 28.

IN SPITE of chalking up its offering the best overall package of incentives, and in analyses of labour-intensive development grants was ahead. And because investment in the Republic does not involve the same level of political and security difficulties as the North, Ireland was last year able to commit itself to grant assistance to 833 projects with total fixed asset investment of £274m. Ulster's foreign investment has now largely dried up.

It is now clear that the IRA is moving into high gear as a job creating agency, although the level of new investment in 1975 was slightly behind the previous two years because of the worldwide economic recession. In all, the IRA's most satisfactory year to date, a birth rate that is larger than that of the EEC's highest.

The IRA stated: "Plant and machinery now sited in Ireland are almost the most attractive EEC aid measures after it was even at full production to reduce the rate of unemployment to acceptable levels because of the rate of expansion of the national work force."

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The grant from the European Commission Social Fund is to be used for the re-training of the Irish labour force.

far more ambitious applications from Fleet Street's Standard. The Joint Committee of management and trade unions for a £2.75 grant from the European Social Fund towards the overall retraining of newspaper workers in the skills either inside or outside the industry—arising from the planned adoption of advanced production methods.

Aid for Fleet Street re-training

BY ROBIN REEVES

BRUSSELS, July 28.

THE EEC has tipped its financial aid for the re-training of the Irish labour force.

The grant from the European Commission Social Fund is to be used for the re-training of the Irish labour force.

Czech industrial production higher

BY PAUL LENDVAY

VIENNA, July 28.

CZECHOSLOVAK industrial production rose 6 per cent during the first half of 1976 compared with the same period last year, but state purchases of meat were on the harvest will be felt.

The fastest production increase by 8.1 per cent was recorded in the gas industry up by 12.3 per cent, in 4.1 per cent, and power production by 5.4 per cent.

The report of the Federal Office of Statistics for grain production branches up by 9.1 per cent. It is claimed that production but the report admitted per cent. The total industrial of labour during the six-month period was up by 5.4 per cent in agriculture was particularly more than planned, the report on January-June, 1976.

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Consolidated Statement of Condition

JUNE 30

ASSETS	1976	1975
Cash and due from banks	\$ 59,706,029	\$ 66,396,868
Interest bearing deposits with banks	318,393,967	156,187,034
Precious metals	36,250,213	24,737,284
Investment securities:		
U.S. Government obligations	67,222,910	16,164,605
Obligations of U.S. Government agencies	56,649,890	56,798,399
Obligations of states and political subdivisions	104,882,075	135,463,313
Other	58,562,576	27,387,908
Total investment securities	287,317,451	235,814,223
Federal funds sold	96,000,000	42,500,000
Loans, net of unearned income	732,279,981	627,891,798
Less allowance for possible loan losses	11,309,862	9,091,210
	720,970,119	618,800,588
Customers' liability under acceptances	75,257,794	77,874,934
Bank premises and equipment	13,310,591	13,057,673
Accrued interest receivable	32,882,646	19,037,643
Other assets	59,829,605	43,324,127
Total assets	\$1,699,918,415	\$1,297,830,374
LIABILITIES		
Deposits	\$1,389,805,124	\$1,044,256,264
Federal funds purchased and securities sold under agreement to repurchase	21,000,000	—
Other liabilities for borrowed money	3,762,210	6,004,923
Acceptances outstanding	77,380,959	78,313,716
Accrued interest payable	64,789,664	37,408,419
Other liabilities	11,720,847	11,237,709
6 1/4% - 8% Notes	808,000	808,000
STOCKHOLDERS' EQUITY		
Common stock	21,482,080	21,482,080
Surplus	45,050,511	43,602,511
Surplus representing convertible notes obligation assumed by parent corporation	12,604,000	14,052,000
Undivided profits	51,535,020	40,684,752
Total stockholders' equity	130,671,611	119,801,343
Total liabilities and stockholders' equity	\$1,699,918,415	\$1,297,830,374
Letters of credit outstanding	\$ 63,700,179	\$ 40,992,776

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PORTUGAL'S NEW GOVERNMENT

Daunting problems for the lawyer and the General

BY PAUL ELLMAN IN LISBON

START has been made on the Government which is already under attack, but that of President Eanes, too, as the declared guardian of the whole system. He is using the majority he took in the Presidential election to provide an umbrella of legitimacy for the Cabinet, which is only assured of 106 of the 263 votes in the National Assembly.

Two questions thus present themselves: can the Soares Government create some kind of a consensus which might permit it to govern within the framework of the National Assembly? And can the President and Prime Minister keep the Republic's enemies at bay?

To the first question, the answer must at best be wait-and-see, since the outcome will be determined in part by the answer to the second. Still, Dr. Soares made a point of announcing his final cabinet before he finally announced his cabinet and, by all accounts, made sure he was at least an idea of what kind of priorities his Government would tackle.

Although his inaugural speech as Prime Minister touched on most of the ills of Portuguese society, Dr. Soares evidently plans to concentrate on trying to rescue the economy from the threatened collapse.

The Portuguese have become as accustomed as the British to being told that things cannot continue as they are, economic and political. The Government, aided by judicious printing of banknotes and a credit-raising capacity which rejected once-strong reserves, somehow managed to put off the

evil day, leaving the first properly constituted Cabinet in over two years with the thankless task of imposing some kind of realism.

This job will begin on the factory floor, with new laws governing dismissals and wage bargaining promised, to the discomfort of union leaders, Communist and non-Communist alike, who have grown used to a relatively easy time when the annual pay negotiations come round.

Dr. Soares has made a point of speaking separately with those union leaders associated with the Communist Party and those considered to have ties with his own socialist. Isolating Communist trade unionists would enable the Prime Minister to push forward his overall strategy of isolating the party as a whole in the hope that it will wither away. Dr. Soares is known to believe that the Communist call to the socialists to join them in a "government of the Left" which would hold a majority in the National Assembly is based on a fear that Communists can only survive through being excluded from the decision-making process after having held office in all six Governments since the April 25 coup.

The Socialist Government is unlikely to face any immediate opposition from the two parties

to the right of it in the National Assembly, the Popular Democrats and the Centre Democrats. Both have already indicated that they are prepared to go along with the planned measures to the extent that at worst they will abstain if they come to a vote.

But the problem for Dr. Soares here is that the longer his Government holds together, the more tempted both the PPD and

prompted some sneers about a "seventh provisional Government."

Dr. Soares' opponents know that although the Socialists emerged as the biggest single party in the National Assembly last April, with 35 per cent. of the votes, their support was some two points less than it had been a year previously in polling for the constituent assembly. The

albeit constitutional, work for it. To do so, he will have to disperse the impression that the homogeneity with which he supposedly is trying to produce cohesion is more than choosing office-holders for their personal loyalties (and family connections) and really is a question of finding the right man for the job.

Apart from the threat from the Communists and the far Left, the General is also under fire from the newly-reborn extreme Right. Recent weeks have seen circulars distributed clandestinely within the army querying the references to Socialism which pepper the President's speeches. (In fact, the constitution he is pledged to uphold commits any head of state or government to building Socialism.)

At the same time, there has been a whispering campaign against a number of leading non-Communist Left-wingers in the military leadership, notably Brigadier Vasco Lourenco, the Lisbon military region commander, and Major Victor Alves.

The President referred to the undercurrents within the army last week when he swore in his successor as chief of staff, General Rocha Vieira, and there is a considerable chance that further military purges are on the way. They could be made necessary by the need to ensure some sort of common feeling among the Revolutionary Council.

Both Dr. Soares and General Ramalho Eanes have taken on a daunting task, in effect committing themselves to building a parliamentary democracy in conditions which elsewhere have generally been considered as providing the foundations for dictatorship, whether of the Left or the Right.

Sismik I ready to enter the Aegean

ANKARA, July 28.

A TURKISH seismic survey ship, which is being sent to hunt for oil in the disputed Aegean Sea despite Greek objections, entered the Dardanelles Straits today and seemed set to sail into the Aegean within 24 hours.

The 1,200-ton Sismik I left Istanbul last Friday and headed for the Aegean Sea. But it had been badly damaged in the Turkish territorial waters of the Aegean Sea since then, instead of heading south through the Dardanelles.

Greece and Turkey have rival claims to Aegean oil exploitation rights and there have been fears of a confrontation if the Turkish ship starts work in a disputed zone.

The Greek navy has been keeping a close watch in the Aegean for its arrival.

The Sismik I, reported to have been in a military shipyard in the Sea of Marmara for the past few days, arrived this morning at Canakkale, main town in the Dardanelles.

It entered a shipyard there to make final preparations for the voyage and was expected to move into the Aegean later today or early tomorrow. Reuters

U.K. advisers flown to help in Milan

SEVESO, July 28.

BRITISH experts are flying to Italy to help local authorities to deal with the chemical disaster at a north of Milan stricken by a toxic chemical defoliant, officials said.

Dr. Don Lee, a plant health expert at the British Ministry of Agriculture, and Dr. John Harcourt, a plant pathologist at Harpenden, Hertfordshire, were invited to come by the Italian authorities. Another British expert, Dr. Colin Crowe, also flew to Rome to discuss the situation with Health Ministry officials.

In the Seveso area, more than 100 people have been evacuated from their homes as a result of contamination by the chemical. Dr. Lee said that the chemical, a DD spray from the Swiss chemical company, had been used to control weeds in a field. It had leaked from a tank and had been blown by the wind.

Health officials are carrying out tests, including blood tests, to see if the chemical has caused any health problems. Officials said no new cases of illness related to the TCDD escape on July 18 had been reported to date.

The chemical, similar to a defoliant used in Vietnam, causes skin burns and liver and kidney damage. Doctors say they do not know what long term effects it may have, or whether it could harm unborn children.

British help in dealing with the Seveso emergency is considered important because of the experience of a similar leak after an explosion at a factory in Bolton, Derbyshire, in 1968.

The Milan newspaper Corriere della Sera today identified this factory as belonging to Coalite and Chemical Products and said the company's consultant physician, Dr. George May, had described treatment of people infected by the chemical in the British Journal of Industrial Medicine in 1973.

Spain's Communists supported in Italy

BY ANTHONY ROBINSON

ROME, July 28.

A CLOSE link between the Spanish Communist Party (PCE) and the Italian Left-wing parties was spectacularly underlined today when the central committee of the Spanish Party, which still banned in Spain, opened a three-day meeting with a publication in a Rome theatre, arena lazzarini, the 80-year-old veteran of Civil War fame long-time President of the Party, opened the session followed by speeches from Party secretary Santiago Carrillo and other Commissioners. Leader of the Italian Communist Party, Enrico Berlinguer, and newly-elected Italian Party Secretary Bettino Craxi confirmed the "solidarity" of the Italian Left behind the Spanish Party's fight for political autonomy, democratic elections, including the right to the Catholic Church. There are also close links between the two parties and what the Italian Left behind the two countries.

Schmidt seeks UN move after fresh border shots

BY NICHOLAS COLCHESTER

BONN, July 28.

A WEST German Government spokesman today said that the UN should take the question of human rights more seriously than it has done in the past.

Chancellor Schmidt was reacting to another unpleasant incident on the frontier between the two Germanies in which a man from Hamburg was shot and wounded on Saturday and three tourists were marched away for protracted questioning after wandering across the demarcation line on the same day.

The Chancellor's statement was issued in Bonn and clearly tailored to the impatient election campaign. Yet beyond the UN proposal, it contained little to deflect the criticisms of the opposition that the Schmidt Government often barks at East German behaviour but never bites back.

Swedish car price freeze

BY JOHN WALKER

STOCKHOLM, July 28.

PRICE freeze on new cars is to come into force immediately, the Government announced today. The freeze applies to spare parts and will be in operation for an indefinite period.

The main factors behind the development are the rising rate of inflation which went up sharply in the first quarter of this year and the general election, which is due on September 19.

On other fronts the Government has already frozen prices on certain food and consumer goods, as the rise in the cost of living is a major point in the election campaign. Consumer prices went up by 5.9 per cent. in the first six months of this year, while the increase for the period June, 1975 to June, 1976, is 11.3 per cent.

Rising costs in the motor industry have been partly offset this year by some price increases.



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HOME NEWS

Doctors' action endorsed

By Donald Maclean

The industrial action by junior hospital doctors that is bringing longer waiting lists and cancellation of out-patients' appointments at more and more hospitals was endorsed yesterday by the executive of the British Medical Association Council.

This follows Monday's meeting between doctors' leaders and Mr. Callaghan, the Prime Minister, at which the doctors put forward their views on a range of grievances — including the most immediate one of junior doctors' overtime pay — and met with what they described as a "sympathetic" hearing.

Re-affirming support for the junior doctors' case — in which overtime pay at the normal working rate is demanded during periods of annual or study leave — the executive also expressed support for the action being taken on the issue by the BMA Hospital Junior Staffs Committee.

It related its concern over the consultants' pay issue. It is felt at the BMA that the younger consultants' base for future salary increments has been unfairly held down by their accepting one year's restraint under the pay policy.

The executive will, provisionally, meet again next Wednesday when they expect to have received a reply from the Prime Minister to the several points — covering mainly pay and the working of the health service — raised by the doctors at Monday's meeting.

Chevron oil group may accept U.K. State role

By RAY DAFTER, ENERGY CORRESPONDENT

CHEVRON, the U.S. oil group, is likely to accept State participation in its North Sea oil assets within the next three months.

The Department of Energy, British National Oil Corporation and Chevron Petroleum (U.K.) confirmed yesterday that they were in "meaningful negotiations" on a participation agreement, a statement forecast in the Financial Times on Tuesday.

"All parties have the objective of reaching acceptable terms by this autumn which will meet the requirements of Government policy and will safeguard the interests of Chevron," the statement said. Chevron is operator of the Ninian Field, a role assumed from Burmah in March last year.

Mr. Anthony Wedgwood Benn, the Energy Secretary, indicated that he was satisfied with progress being made with Chevron, adding that talks on participation were being held with other groups. Shell and Esso have confirmed that they are in "meaningful discussions," and it is understood that Occidental, operator of the Piper and Claymore fields, has met Government officials.

The Government has already signed four participation agreements, with Gulf, Continental Oil, Tracenrol and Ranger. It has reached agreement on the principles of State participation with British Petroleum.

Mr. Wedgwood Benn has indicated that companies that agree to participation, or at least en-

gage in "meaningful discussions," will be viewed favourably in the Fifth Round of licences. Details of the 80 to 85 blocks to be awarded are expected to be announced to-day.

Cliff moves

Cliff Oil, the U.K. independent group, indicated yesterday that it would seek licences in the next round.

The group, backed by British investment and shipping interests, plans to apply for sole licences, although it may partner Elf in seeking deep-water acreage.

Mr. Aigry Cluff, founder and head of the group, sees involvement in the Fifth Round as the next step in plans to become a fully integrated British oil company, eventually with refining and marketing interests.

So far Cluff has raised £7m. for U.K. and Irish ventures. One of its consortium companies, CCP North Sea Associates, has a 21.17 per cent stake in the Buchan Field recently discovered in the North Sea.

Mr. Cluff said that the group's involvement in the next round was a "major priority." "We hope that British companies will be given a full and fair opportunity to compete for the new blocks," he said.

Mr. Orin Atkins chairman and chief executive of the American Ashland Oil group, said that his company would also seek involvement in Fifth Round acreage. Ashland would probably apply as to participation, or at least en-

gagement with U.K. interests. The group already has a substantial stake in the North Sea's Brae Field.

Mr. Atkins, who will meet the London Oil Analysts' Group today, said that North Sea crude — fairly light with a low sulphur content — fitted Ashland's U.S. requirements. The company imported 170,000 barrels a day from the Norwegian sector of the North Sea. Ashland has bought a consortium of Forties Field crude.

The U.K. North Sea was regarded by Mr. Atkins as an attractive proposition. "The terms of development are no more onerous than anywhere else. Politically, the U.K. is more stable than other producing areas."

It was the third day of the hearing, at which a scheme is being considered to change KTM's financial structure and transfer ownership from the Government to the Vickers engineering group.

Mr. Walter Norton, whose company opposes the scheme, answered questions about the Renault interest in KTM in 34-hour cross-examination.

Asking about his suggestions that two major European companies, one Renault, might consider bidding for KTM, Mr. Norton said: "I wouldn't say (Renault) have to be in for \$2m. or \$10m. before Norton would get anything."

Mr. Norton agreed. He added, however: "When a Government decides on a course of action because there are strategic interests concerning its industrial base, I would have thought the price was a far less relevant consideration than the knowledge they are seeking."

It would cost Renault much more than \$10m. to set up its own U.K. operations. Renault is seeking capacity in the U.K. and the skills we have to offer."

It was disclosed in court that the Department of Industry made inquiries in June about the possible involvement of the other European group with KTM. Yesterday the other group was called "Company A," but on Monday it was identified as Oerlikon-Bührle of Switzerland.

These inquiries established that Oerlikon-Bührle was in no immediate position to do anything about "looking at KTM." The hearing continues today.

More publicity for energy conservation, aimed specially at the smaller company.

More information on comparative costs of different heating methods.

Completion of a Department of Energy study on combined heat and power schemes.

Commenting on the MPs' severe criticism of its "Save It" campaign, the White Paper asserts that it has been one of the biggest and most thoroughly researched campaigns conducted by Government. It is satisfied that the £51m. spent up to March this year.

Encouraging of further public sector investment in energy saving.

Extension of the energy saving loan scheme to commerce.

More help for the smaller company.

Gradual extension of thermal insulation requirements in building regulations and the development of standards.

Standard tests of petrol consumption in new cars.

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France, U.K. 'seek machine tool link'

By Kenneth Gooding, Industrial Correspondent

AN UNDERSTANDING exists between the U.K. and French Governments that their machine-tool industries should be brought closer together. It was claimed in the High Court yesterday.

It was said that this was why Renault, which has major machine-tool interests as well as cars, showed interest in the U.K. group Kearney and Trecker Marwin. Both companies are State-owned.

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Road Federation hits at rail priorities

By JAMES McDONALD

Following Tuesday's attack by Sir Richard Marsh, outgoing chairman of British Rail, on the Government's transport policy document, an objection to any priority for rail services was made yesterday by Mr. Tony de Boer, chairman of the British Road Federation.

"At first glance," he said in London, "the consultation document tells us that the Government's analysis is right. But it does not put transport in the national picture, either industrially or socially, and is far too inward-looking."

"Our main concern is that transport as a whole is undervalued by the Government and deserves higher priority."

The chapter in the Government's consultation document, he added, was "indecisive and woolly, in contrast with the facts that show that movement by road is totally predominant. Priorities within the transport budget are distorted and will progressively become more damaging to the economy."

Sir Richard's warning that increased rail fares would drive 80,000 rail commuters from the railways in London and the South-East was close to "political blackmail," Mr. de Boer said.

Sir Richard was "playing on the fears of rail commuters" to tell the Government that it dared not deal firmly with the present £50m. subsidy for these services. In a memorandum to the Government, the British Road Federation called for an end to support for money-losing transport services, and for capital resources saved to be put into roads.

Even if rail travel were free, it said, it was unlikely that there would be heavy demand for general rail services. To "pour woolly" in contrast with the facts, huge sums of money into operational and investment subsidies was "a gross misuse of resources which Britain cannot afford."

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Union urges Harland man for Board

By Our Belfast Correspondent

SHIPBUILDING UNION leaders in Ulster are pressing for a senior director of the loss-making Harland and Wolff shipyard to be appointed to the Board of the proposed British Shipbuilders.

Local officials of the Confederation of Shipbuilding and Engineering Unions now appear to have accepted, with a great deal of bitterness, that the yard has no last-minute chance of inclusion in the Government's nationalisation plans.

They have latched on to the promise made in the Commons on Tuesday night by Mr. Rees, the Ulster Secretary, that British Shipbuilders would have a duty to consult and co-ordinate its activities with Harland.

Mr. James Graham, confederation secretary, said the unions would like to see some tangible evidence of the proposed links with the new corporation.

"This could be brought about by the appointment of a senior Harland and Wolff director to the Board, as well as links with the various committees which are to be established, so that Harland would not be entirely excluded," he said.

Mr. Andrew Barr, the confederation president, said: "We want definite links established, and proper Ulster representation at Board level."

Insurance companies warning

By Christopher Hill

WHILE 1975 was a better year for insurance companies inflation remained a serious problem, according to the Department of Trade in its annual report on the working of the Insurance Companies Act, published yesterday.

Although the securities and property markets recovered, with a consequent improvement in total assets, inflation continued to have implications for all companies and the claims provisions of those conducting certain types of business were being watched "with particular attention."

Fewer companies experienced difficulties in 1975 than in 1974, but because of the stricter requirements which came into force, there were still cases where Government intervention was necessary. During 1975, 27 companies (41 in 1974) were persuaded to take remedial action on a non-statutory basis.

Insurance brokers were also under the spotlight in that the four major insurance brokers' organisations were invited to make proposals for the regulation of the industry. One of the main problems has been the distinction of an insurance broker as opposed to other classes of insurance intermediaries. A preliminary report has been received by the Department and the four have been asked to amplify it in certain respects.

Before any decisions are reached, the report said, insurers, consumer organisations and others likely to be affected by the proposals will be consulted.

Energy-saving task force plea rejected

By DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT has rejected a Parliamentary Select Committee proposal last September that a "task force" of Ministers, top officials and energy experts should be responsible for saving, operating "essentially full-time" and reporting directly to the Prime Minister.

But it has set up a committee of Ministers with Mr. Gordon Oakes, Under-Secretary for Energy as chairman, to promote and co-ordinate energy conservation, and said a further £1m. is to be spent on the "Save It" campaign during 1976-77.

The Government is also offering smaller companies a subsidy of up to £30 towards the cost of a one-day visit by an energy consultant advising on energy saving.

After an unusually long delay — replies to Select Committee reports are usually made by the Government within six months — the White Paper published yesterday says there are "limits on how active a part Government can play without getting into a situation where it is taking consumers' decisions for them."

In response to the 42 recommendations for action put forward by the MPs, the Government offers ten principal activities on which its programme will concentrate during the next phase of the campaign.

The ten are:

Involvement of the "little fellows" and leading trade associations, and the encouragement of targets set by energy consumers themselves.

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More help for the smaller company.

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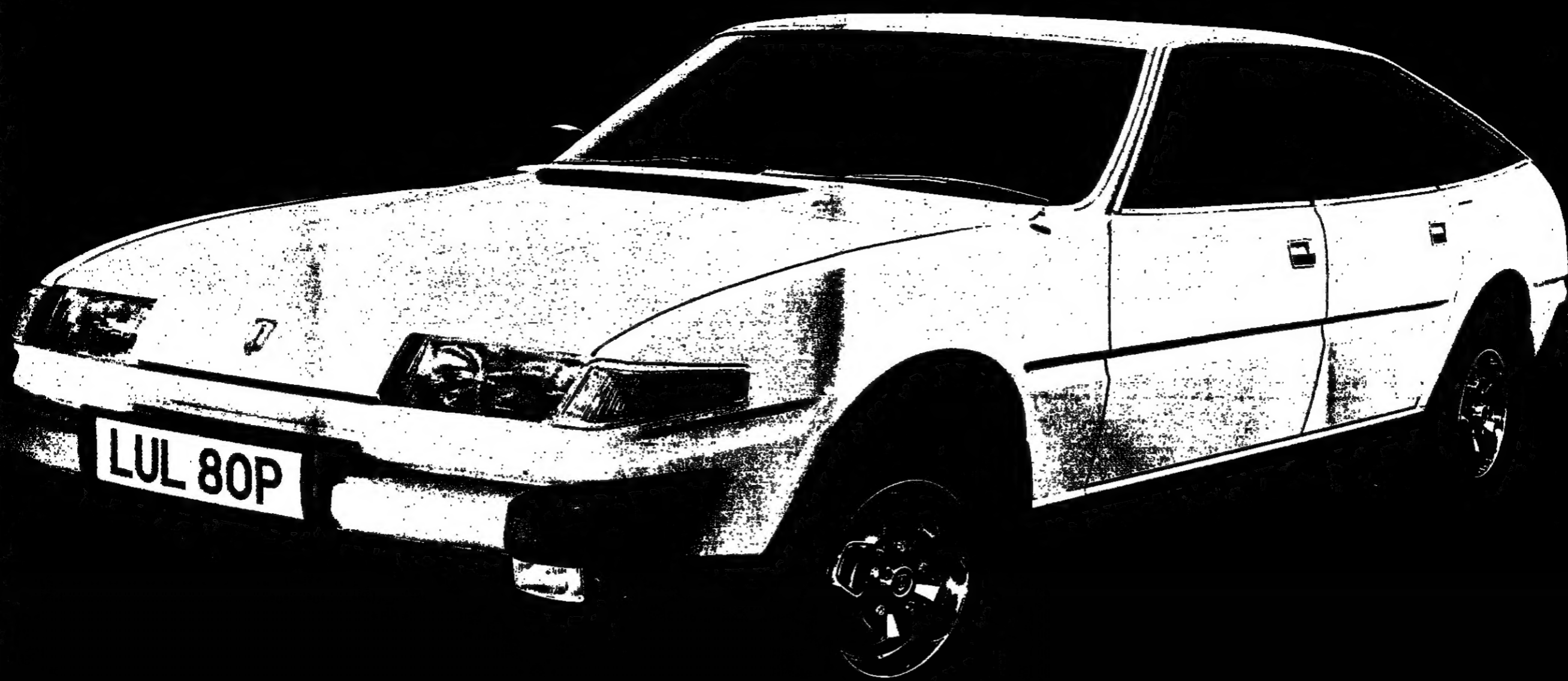
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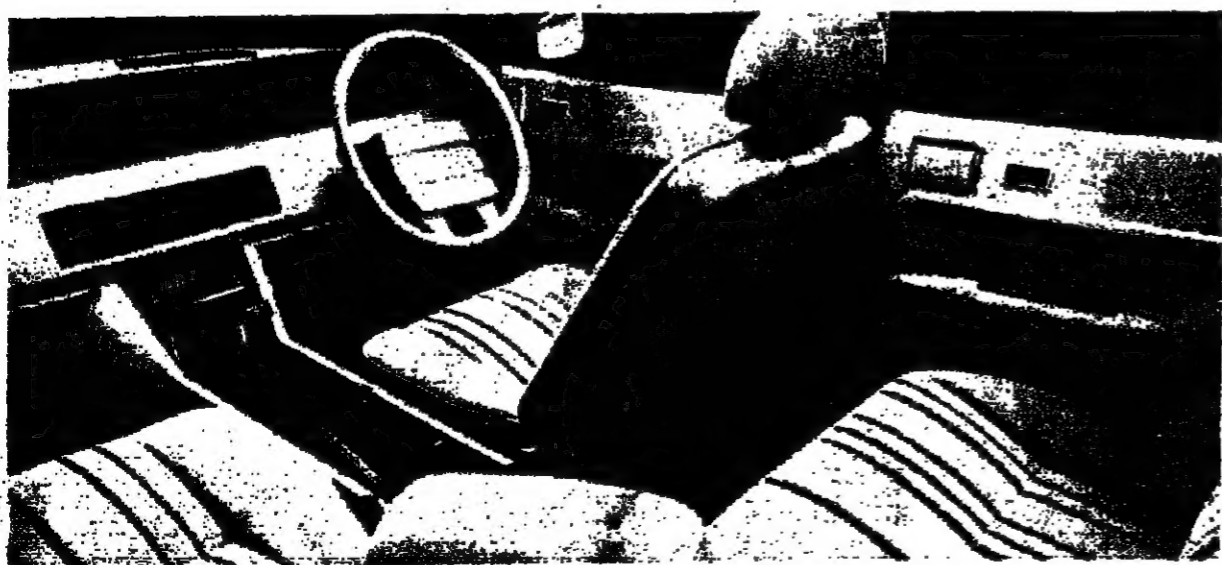


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We announce a car that sets new standards of design, comfort, safety, reliability and value.

The new Rover 3500 looks, feels and handles like a very, very expensive car.

Which it isn't.



When asked, the 5-speed manual version can top 126 mph and accelerate from 0-60 mph in 8.6 seconds. At the same time it can give you an amazing 26 miles to the gallon on touring runs.

The automatic version is equally impressive: a top speed of 123 mph, touring mpg of 24 and 0-60 in 9.0 seconds.*

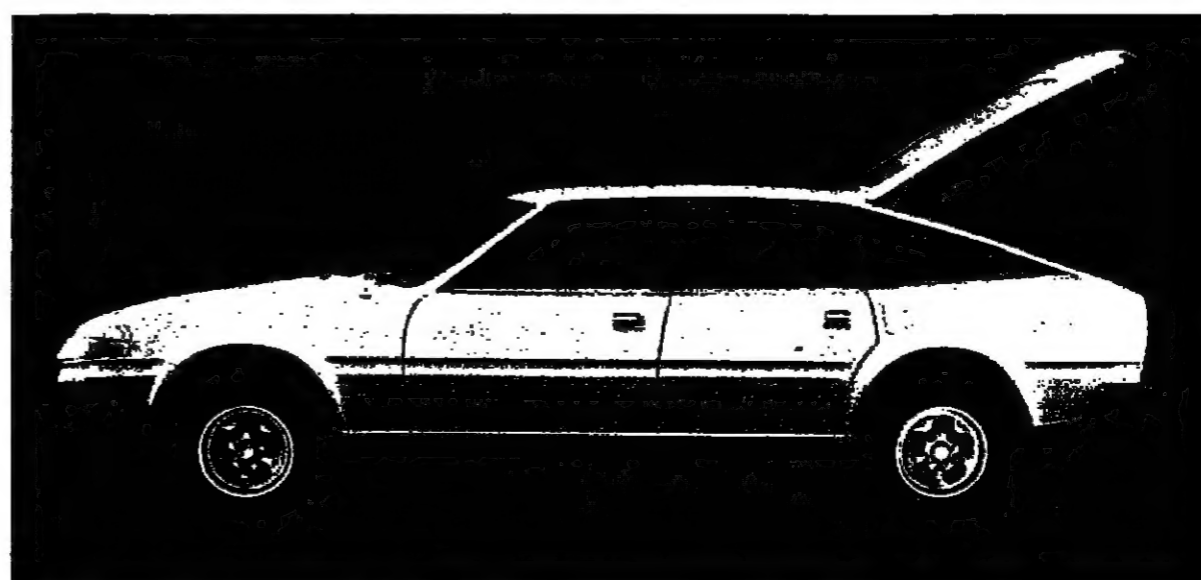
Inside is a quiet, spacious area for 5 adults plus a lot of luggage in a deep, covered well that's reached

through an assisted-lift tailgate. Fold down the rear seat and you double the luggage capacity.

Outside, a sleek, aerodynamic car that will soon be winning praise as one of the most elegant designs of the decade.

And, importantly, the new Rover is a classic of simple, logical engineering. It's efficient, reliable and easy to maintain.

To prove that, we protect it with Supercover, the most comprehensive after-sales commitment available to the British driver.



The new 3500 is at your Rover showrooms today. We urge you to see it. We're certain you'll like it. And if Rover history is anything to go by, it will be a very sound investment.



From Leyland Cars. With Supercover.

Tomorrow, wouldn't you rather be in a Rover?

*Rover's car costs £4,750.20 (automatic £149.76 extra) inc. car tax, VAT & front seat belts (delivery and number plates extra). and mpg figures from Leyland Cars Engineering Division.

HOME NEWS

BSC hopes to break even after £255m. loss year

BY ADRIAN HAMILTON

AFTER A reported loss of £255m. in the 1976-77 financial year, the British Steel Corporation is now aiming to break even and perhaps make a profit during the current financial year, according to Sir "Monty" Finniston, the Corporation's retiring chairman yesterday.

Introducing the annual results in London, he ascribed the loss to the "worst recession in the international steel industry for 40 years."

Nevertheless, he said that the first part of the year had seen a considerable improvement in labour relations, in demand and in prices.

While the corporation continued to make a loss of £11m. a week in July, it was hoped to return to a break-even point in early autumn and improve after that, he said.

Optimism

Mr. Finniston's optimism comes after a particularly bad year for the Corporation. Production, as recorded in the annual report, fell from 20.8m. tonnes of liquid borings not covered by the Treasury insurance scheme of

PROFITS BY DIVISION, 1975-76

Division	Sales £m.	Pre-tax profit (loss) £m.
General Steels	837.9	(51.9)
Special Steels	467.0	(16.5)
Strip Mills	645.8	(200.0)
Tubes	400.7	19.2
Service Centres	63.6	0.3
Chemicals	64.0	8.1
Redpath Dorman Long	138.7	(4.0)
International	149.2	24.0
Other*	8.5	(25.3)
TOTAL	2,356.7†	(246.1)

* Mainly Central Corporation accounts.
† Excluding inter-divisional sales.

some £30m.

With plants operating at only two-thirds or less of capacity and prices in the market weak, the final result for the corporation was a £255m. loss for the last financial year.

This was in contrast to three years of profit in which the corporation had surpluses of £3m. in 1973-74, £80m. in 1974-75, and £73m. in 1975-76.

A breakdown of the overall figures shows that by far the greatest part of this loss was to make a small profit of £0.3m.

on a turnover of £63.6m. after interest and depreciation.

BSC (Chemicals), on a turnover of £64m., made a profit of £7.5m. Particularly encouraging was the profit made by BSC (International), largely because of disposals, of £17.1m.

On the investment side, meanwhile, the corporation reported its highest level ever at £500m., nearly double the £231m. recorded in the previous year.

However, BSC resorted increasingly to outside finance, calling on a further £355m. of

Chrysler activities in U.K. and Europe 'should be merged'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

INTEGRATION of Chrysler U.K. with the parent company's other activities in Europe and overseas is the main key to the survival of the British concern, according to the Expenditure Committee report published yesterday.

Only by integrating will the U.K. company achieve some of the economies of scale which are necessary in the motor industry. In this way, Chrysler can "become a genuinely European operation, as a result of which CUK in particular can enjoy economies of scale beyond the reach of a small national manufacturer."

The Government plan, the report concludes, allows the development of new models and the reorganisation of factories in realising the potential for integration. The new products, which will be developed in a way which it would be difficult to do by simply shifting the present product range around.

But the report finds that the agreement with Chrysler does not necessarily commit the company to wholesale integration.

"It could be argued that the Government concluded the right agreement for the wrong reasons. While they were clear that Chrysler Corporation should remain financially responsible for the company, the prospect of integration, which is commercially the most attractive aspect of the scheme, was not given the prominence it deserved."

"Indeed, in his statement to the House the Secretary of State spoke only about integration of marketing, and not of integration of production."

What the Committee would clearly like to see is action taken to make the Continental companies as dependent on Chrysler U.K. as the British company is on them. At present this is not so, it suggests.

"A two-way flow must occur if CUK is to play a full part in the integrated European organisation. The use of the entire U.K. operation simply as spare parts for the Continent is not acceptable. The Expenditure Committee, House of Commons Paper 596; (HMSO) £1.80.

In these circumstances, the closure of U.K. facilities in the 1980s would not necessarily threaten Chrysler's European operations, and the U.K. plant would not be vital to the continued presence of Chrysler in Europe. Only if CUK were to become the sole European source of supply for certain items would it be locked into the European operation."

The Committee also concludes that far from reducing production capacity after the rescue deal, as most commentators have assumed, Chrysler's capability has been increased.

Bottleneck

The Committee's view is that the CUP's warnings about excess capacity are less relevant if full integration of production is achieved. However, it concludes that capacity for built-up cars and commercial vehicles has gone up by 15 per cent (18 per cent for cars) instead of falling by 25 per cent as the Government suggested, because of the removal of bottlenecks in the Linwood plant.

While admitting that the general character of the deal reached by the Government was probably the best which could be achieved in the circumstances, the report suggests that the Government might have achieved better financial terms had it been more prepared for Chrysler Corporation's action in threatening to pull out of the U.K. Chrysler Corporation has achieved an extremely good deal from its own point of view.

In financial terms the report points out that if losses in 1976 do not exceed £40m., the reorganisation of CUK "will effectively have been achieved at an expense to the company of only £10m.-£12m. (for the Alpine) until 1985-90, when the loan capital is to be repaid."

At the same time, Chrysler is being relieved of some of the cost of expanding Alpine (C8) production by freeing capacity at Ryton in Britain.

Public Expenditure on Chrysler (U.K.) Ltd., Expenditure Committee, House of Commons Paper 596; (HMSO) £1.80.

Post Office extra profit will stabilise charges

BY KEVIN DONE, INDUSTRIAL STAFF

THE POST OFFICE profit of £147.9m. last year was far in excess of its original targets, it was revealed yesterday.

But if financial viability was about £20m., on telecommunications and to limit the postal deficit to not more than £70m. But several factors, including internal economies — yielding savings of £35m. in post and £44m. in telecommunications — and the benefits in the later part of the year from the company's inflation policies led to substantially better results.

To the total profit, the telecommunications service has contributed £134.7m., the postal service £10.2m., and the data processing service £2.0m.

The Post Office annual report, published yesterday, says that the profit will allow a period of price stability well into 1978-79, financial year and the prices of a 19.3 per cent "drop

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BSC's SIX YEAR RECORD

	70-71	71-72	72-73	73-74	74-75	75-76
Liquid steel production (m. tonnes)	26.1	21.5	25.1	23.0	20.8	17.2
No. of U.K. employees (000s)	252.4	229.7	224.6	220.4	228.3	210.2
Total turnover (£m.)	1,457	1,222	1,473	1,775	2,254	2,357
Profit (loss) (£m.)	7	(48)	9	6.8	8.9	(246)
Rate of return on average net assets (per cent.)	2.9	—	3.4	—	—	—

steel in 1974-75 to 17.2m. tonnes in 1975-76, and compared to peak levels of around 25 and 26m. tonnes in 1970-71 and 1972-73.

At the same time, steel deliveries in the home market fell from 13m. tonnes in 1974-75 to 10.5m. tonnes in the last financial year, while export deliveries only marginally improved from 2.1m. tonnes to 2.2m. tonnes over the same period.

Total outside turnover improved slightly from £2.3bn. to £2.4bn., but costs also increased. Labour costs rose sharply by more than £200m. from £683m. to £887m., despite a fall of 18,000 in the number of employed to 210,200 by the end of March this year.

Over the same period expenditure on interest rose from £57m. in 1974-75 to £108m. in the last financial year and there was a

foreign currency loss on foreign incurred in the trouble-ridden strip mills division, which made a loss of £200m. on total steel deliveries of 3.6m. tonnes and a turnover of £666m.

The general steels division also made a substantial loss of nearly £83m. on total deliveries of 6.17m. tonnes and a turnover of £583m.

Other divisions fared less badly. Special steels, on deliveries of 1.97m. product tonnes and a turnover of £467m., lost £16.5m. and Redpath Dorman Long, on a turnover of £138.7m., made a loss of £4m.

But the tubes division, on deliveries of nearly 1m. tonnes and a turnover of £401m., made a profit of £18.2m.

The corporation's new steel services centres division, which

handles stockholding, managed public dividend capital and a further £15m. in long-term borrowings.

Commenting on the results, the Board in the report places special emphasis on labour relations.

The number of strikes during the last financial year, it reveals, increased from 272 in the previous year to 388 of which all but two were unofficial.

There was, however, a reduction in production embargoes imposed by the workforce, while a high proportion of the strikes occurred in the first half of the financial year.

The agreement reached with the manual workers on January 23 of this year is hailed as a "watershed" in relations between BSC and the unions.

Mr. Finniston warned that the country's competitiveness and the balance of payments would improve in due course—though the working of the international trading system made the situation "more difficult" in the short-term, with import expenditure being affected more quickly than export earnings.

Mr. Healey warned that the country faced two or three hard years ahead. "The nation as a whole faces its most difficult challenge since the Second World War." Prospects had been transformed over the past year, but there would be still two to three "difficult years" before North Sea oil (which would not be a cure for all the problems) made a "significant contribution to our economy."

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Dell faces Labour questions on Lomrho

By Margaret Reid

QUESTIONS ARISING from the recent Department of Inspectors' report on Lomrho were put to Mr. Edmund Dell, the Trade Secretary, at a meeting of the Parliamentary Labour Party's Trade Group last night.

Mr. Dell addressed the group about the report, which was highly critical of certain divisions of the company, the mining and industrial concerns with African interests which Mr. Edward Heath, in 1973, called "the unacceptable face of capitalism."

In the discussion at the group, with Mr. Joan Evans, MP for Aberdare, as chairman, a large number of matters are thought to have been raised.

It appears that these included the implications of the Lomrho report for company law generally, the responsibilities of directors and the system of company inspection.

One question thought to have been of interest to MPs was whether the Department of Trade should exercise responsibility for inquiries into companies, at present, or whether an independent agency should be responsible. A similar point was raised by Lord Shawcross in a letter to the Financial Times yesterday.

Some MPs are also thought to have mentioned questions concerning sanctions against Rhodesia—a context in which the inspectors had some critical remarks to make about certain Lomrho directors.

It is thought possible that some MPs may seek to raise certain matters concerning Lomrho in the Commons before the summer recess.

Professor says South-East is in decline

THE SOUTH-EAST of England is "the goose that ceased to lay the golden eggs," according to Dr. Peter Hall, Professor of Geography at Reading University.

In the current issue

COMPANY NOTICES

TRONOH MINES, LIMITED

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the shareholders of Tronoh Mines, Limited, will be held at the 7th Floor, 7th Avenue, London EC4A 1HX on Wednesday the 2nd day of August 1978 at 12.00 noon for the purpose of considering and voting on the following Resolutions:

RESOLUTIONS

1. That the Scheme of Arrangement dated 28th July 1978 between the Company and the holders of its shares of 25p each, which has been approved by the Court, be and is hereby approved.

2. That the capital of the Company be increased to £2,000,000 divided into 8,000,000 shares of 25p each by the issue of new shares of 25p each, the proceeds of which shall be used for the purpose of redeeming the existing shares of 25p each and for the purpose of paying the costs of the Scheme.

3. That the capital of the Company be increased to its former amount of £2,000,000 by the issue of new shares of 25p each, the proceeds of which shall be used for the purpose of redeeming the existing shares of 25p each and for the purpose of paying the costs of the Scheme.

4. That the capital of the Company be increased to its former amount of £2,000,000 by the issue of new shares of 25p each, the proceeds of which shall be used for the purpose of redeeming the existing shares of 25p each and for the purpose of paying the costs of the Scheme.

By Order of the Board,
G. GARDINER
Secretary

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R HITAM TIN DREDGING LIMITED

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the shareholders of R Hitam Tin Dredging Limited, will be held at the 7th Floor, 7th Avenue, London EC4A 1HX on Wednesday the 2nd day of August 1978 at 12.00 noon for the purpose of considering and voting on the following Resolutions:

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By Order of the Board,
G. GARDINER
Secretary

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the shareholders of R Hitam Tin Dredging Limited, will be held at the 7th Floor, 7th Avenue, London EC4A 1HX on Wednesday the 2nd day of August 1978 at 12.00 noon for the purpose of considering and voting on the following Resolutions:

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OBITUARY: LORD FEATHER

A man of the grassroots

BY JOHN ELLIOTT

LORD FEATHER, who died early yesterday at the age of 88, general secretary of the TUC from 1969 to 1973, will be remembered as the man who played a leading part in steering the trade union movement through its most difficult period of confrontation with Government since the 1926 General Strike.

During his period of office, the TUC fought off both the Labour and the Conservative Governments' strike laws and also refused to come to terms with the Conservatives over pay policies. But while this may seem a negative period, it can also be seen as a time during which the groundwork was being prepared for the "social contract" between the TUC and the Labour Government. For the stormy period during which Lord Feather was dominating TUC affairs, demonstrated the limits of Government power in relation to trade unions.

Negotiator

An expert negotiator and conciliator—able to cajole or bully as the mood took him—Lord Feather steered the TUC through this period and then, at the age of 65, retired just before the miners' strike swept the Conservatives from power and a new hard-line partnership between his successor, Mr. Len Murray and Mr. Jack Jones of the Transport and General Workers' Union helped establish a new order.

He had to retire before the

things for which he had worked became possible with subsequent political changes. These were an understanding with the Government of the day on pay and strike policies and a removal of the TUC boycott of the Common Market. He did however leave the TUC stronger, with a string of industrial committees, and was active in the international union arena. He was President of the European Trades Union Confederation and after his retirement he took on other part-time posts, including the chairmanship of the Northern Ireland Commission on Human Rights.

For Lord Feather, becoming general secretary of the TUC in 1969 when his predecessor, Mr. George Woodcock, left to become chairman of the new defunct Commission on Industrial Relations, was the summit of a lifetime's ambition. He had been born into the Labour movement in Bradford in 1898 and lived for it from his early years when, as a boy, he learned his socialism at the feet of Mr. Frank Betts, father of the then Minister Mrs. Barbara Castle. Barbara, as Lord Feather often remembered in later years, went off to university while he stayed behind helping her father to produce a Labour broadsheet while working at the Co-op, an early interest in journalism to which he added a skill as a cartoonist.

Later these interests broadened and he became a collector of modern art and sculpture and amassed an

enviable collection of paintings and sculpture in his TUC headquarters office. One of his other passions was cricket—he nearly became a Yorkshire professional instead of a union activist—while his spare time was spent at a Northamptonshire mill-cum-cottage to which he retreated at week-ends and where, his son, Mr. Sandy Feather, now lives.

Little time

But Lord Feather gave himself little time to enjoy these leisure interests. From the time he joined the TUC as a young assistant in 1937 till his retirement, he lived for the trade union movement. One of his early jobs at the TUC was keeping in contact with local trades councils. This was in lead him into confrontation with Communist Party activists, whom he stoutly opposed with the fervour of a man in the Right of Centre of Labour's political spectrum. But while this anti-Communist campaign was to make him some enemies on the Left, the main legacy of his trade council work was a country-wide network of grassroots union contacts which he turned to good use during his general secretariatship. Throughout his lifetime at the TUC he nourished these contacts, tramping the country to attend the most obscure meetings.

Gradually, Vic Feather moved up the TUC headquarters ladder, eventually becoming assistant general secretary to that best in British trade unionism. His passing was a great loss not only to the Labour movement, but to the country.

Mr. Edward Heath, who had close contacts with Lord Feather during discussions on the 1974-75 Conservative Government's economic policies, said his judgment on what could be achieved was almost invariably fair. "Although he never hesitated to

George Woodcock. The two men had little in common. Mr. Woodcock being withdrawn and aloof while Lord Feather was in emerge as an outward going, humorous character to whom most people could warm.

In fact Mr. Woodcock was busy laying the foundations of trade union power in Whitehall which, despite the confrontations with Governments which followed, were to re-emerge in Lord Feather's pay policy talks with the Conservatives.

But he had to handle the confrontations. He played a key role in helping to kill off Barbara Castle's *In Place of Strife* strike laws and his early childhood relationship with her did nothing to help during this period. Here all his skills as a patient operator both behind the scenes and in the front line came to the fore. He eventually struck the TUC's "solemn and binding" deal under which the proposed laws were withdrawn and he took on a personal role operating a new TUC procedure for handling inter-union and other disputes. "Vic the Fixer" was born; but his honey-moon period with the Press and the public did not last long, for he, and the TUC, were blamed for every strike that was not solved.

One other central criticism remains from this period. It stems from the defeat of the Labour Government at the 1970 general election. There is an argument that a more withdrawn, cool character than Lord Feather—someone in the Wood-



Lord Feather.

cock mould—would have "fudged" the issue of the *In Place of Strife* strike laws and would not have forced the Labour Government to give way on a key plank of its policy.

This is speculation. But the Conservatives did win and Lord Feather and the trade unions found themselves saddled both with a new set of strike laws and with a hard line on pay policy which the Government "informally" forcing down the going rate of pay deals through its influence in the public sector. Lord Feather found this a traumatic period. For the first time in his life he was facing an adversary, the Heath Government, which was not interested in making deals. But once the shock of this had worn off the TUC swung into action against the then Industrial Relations Bill and made it largely ineffective.

The Conservatives' pay policy also foundered and Mr. Edward Heath, who as Prime Minister

developed a growing respect for Lord Feather, started talks on a possible deal with the TUC. But the talks collapsed because the Conservatives were not prepared to negotiate on certain items.

Support

Lord Feather also swung the TUC more into open support for Labour, changing the strict non-party line adopted by Mr. Woodcock. He was a highly political person, able to galvanise people into action and, in part, over the "grass roots" as well as the macro-economic aspects of the TUC. But he was also a sensitive man. One of the criticisms he most bitterly resented at the time was that in fighting the strike laws, he had "led the trade unions out of Whitehall and back into Trafalgar Square," so reverting the achievements of Mr. Woodcock. What, in retrospect, he showed was that the TUC could exist in both arenas at the same time.

at a time when the unions faced their greatest modern threat from the law.

From the other side of the industry Sir Campbell Adomson, former director general of the CBI, said that as a person Lord Feather was full of kindness and understanding and was completely honest in his convictions. "He had deep principles and always fought hard for what he believed in."

LABOUR NEWS

Social contract mapped out for next three years

BY CHRISTIAN TYLER, LABOUR STAFF

MANY of the Labour movement's policy goals are set in terms both of economic resources and Parliamentary time, says the statement on the next three years of the TUC-Government social contract, published yesterday.

"The question of priorities is therefore at the heart of this further statement... of our policies: only by adopting such an approach can we avoid raising false expectations," says the TUC-Labour Party Liaison Committee in its document "The next three years and the problem of priorities."

The Labour Government had shown "a sense of direction, credibility and achievement" despite economic difficulties and the TUC's vote last month for another 13 months of pay restraint demonstrated "the tremendous value to the nation" of the Government-TUC relationship.

After listing Labour's legislative record, the statement says that the social contract is a relationship for good times as well as bad, and stresses the need to reduce Britain's payments debt and balance of payments deficits now that recovery is under way.

Dealing with the public expenditure programme, it argues that a return to full employment will reduce the public sector deficit significantly. "In theory we could let public expenditure go up and try to pay for it by big increases in taxation. But this would cut the pay packets and put intolerable strains on our policy for heating inflation."

The Government had "kept its nerve" in the face of an "orchestrated campaign" for immediate cuts in public spending. The statement concedes, however, that new policies could not be afforded, however desirable, unless current projects were dropped or postponed.

EMPLOYMENT: The Liaison Committee calls for rapid expansion of the economy over the next three years and the creation of 1m jobs, particularly in manufacturing industry. There should be progress towards training and job creation efforts like that in Sweden. With 300,000 leaving school every year, the aim should be for all youngsters, including the handicapped, to have a job, training or further education.

INDUSTRIAL STRATEGY: The aim is investment at home rather than abroad, and planning agreements with at least the majority of the top 100 companies.

An investment reserve fund should be set up out of company profits, with withdrawals related to the economic cycle and the industrial strategy. The National Enterprise Board should have funds of up to £1bn a year.

There should be "closer public supervision" of the financial institutions, and possible extension of the public sector to ensure that the system acts

"in the public interest."

The Government should hold an urgent inquiry into short-term capital movements and exchange rate changes.

BALANCE OF PAYMENTS: Trade unions should be involved in the setting of import penetration ceilings, company by company. Selective policies should include action on purchasing by public bodies, on industrial bottlenecks, and on selective import controls.

North Sea oil and gas, and coal would boost the balance of payments. Oil revenues should be used for the benefit of the U.K. as a whole, but also aid Scotland, Wales and other development areas.

PRICES: The abolition of price control would not necessarily lead to an improvement in investment. Controls would need to become more sophisticated and selective, with special attention to monopoly or semi-monopoly industries.

A special subsidy is urged to help people pay sharply increased fuel bills. The Government should "seriously reassess" its food subsidy plans, and reappraise the EEC Common Agricultural Policy.

INDUSTRIAL DEMOCRACY: The promise of legislation in the 1976-77 session is welcomed. It should provide "organised workers in large companies with the right to parity representation on the main policy Boards of their companies. Trade union training should be encouraged."

DEVOLUTION: Separatism is "totally rejected" and the White Paper on devolution welcomed.

SOCIAL POLICY: Conceding that many of the aims are "extremely costly," the statement calls for a wealth tax in the next Parliamentary session and progress towards a consensus on limiting top salaries.

Of the Government's decision to delay the child benefit scheme, the statement says: "We believe that the full introduction of this important reform must go ahead."

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HOUSING: A "fairer" system of housing finance, with special help for local authorities in high-cost areas. Tax relief for private buyers should be the same as that enjoyed by the basic rate taxpayer. "Building societies need to be more closely supervised, possibly by a new state agency."

Steps should be taken to license estate agents.

CONSTRUCTION: The statement calls for a high level of homebuilding and improvement, and progress towards decentralisation of the labour force. Public enterprise should have a "powerful stake" in the industry.

TRANSPORT: Consideration of integrated transport policy will include "careful examination" of the idea for a national transport planning authority.

Civil servants threaten to halt legislation over staff cuts

BY DAVID CHURCHILL, LABOUR STAFF

CIVIL SERVANTS in the Department of Trade and Industry are threatening to "black" implementation of the legislation to nationalise the shipbuilding and aircraft industries in protest at the Government's plans to cut staff throughout the Civil Service.

Details of these cuts are expected to be announced in the Commons to-day by Mr. Charles Morris, Minister at the Civil Service Department, following another round of talks with leaders of the Civil Service unions last night.

The unions were given final details of where the 850m. package of cuts already decided will fall, but the Cabinet still has to decide on the remaining 240m. of manpower cuts savings which will total £140m. over the next three years.

Wales and other development areas.

PRICES: The abolition of price control would not necessarily lead to an improvement in investment. Controls would need to become more sophisticated and selective, with special attention to monopoly or semi-monopoly industries.

A special subsidy is urged to help people pay sharply increased fuel bills. The Government should "seriously reassess" its food subsidy plans, and reappraise the EEC Common Agricultural Policy.

INDUSTRIAL DEMOCRACY: The promise of legislation in the 1976-77 session is welcomed. It should provide "organised workers in large companies with the right to parity representation on the main policy Boards of their companies. Trade union training should be encouraged."

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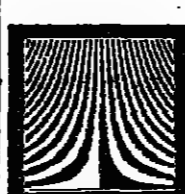
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHNETERS

COMMUNICATIONS

New banking links

PENETRATION of the U.K. banking market by Datasab is continuing. The Scandinavian Bank has taken delivery of the first two Datasab machines which will form the basis of a network of terminals and links with the SWIFT international bank communications system.

The processors will be situated at the bank headquarters in Leadenhall Street and at the other at the Clutched Friars premises. Scandinavian has a large foreign exchange business, as well as loans and deposits, leasing and trust and fund management and various capital market operations. One of the Datasab units will be devoted to foreign exchange handling in the main, and a design principle for this system has been that all departments concerned should have access to the computer at all times. For this reason, switching facilities will be provided so that the second machine can act as a fail-safe backup.

The SWIFT link is important because Datasab will be able to interface with the SWIFT interface software based on the D5-30 mini (as ordered by Scandinavian) in all countries served by the network. This SWIFT link will be written for Datasab by SPL.

D5-30 is at the top of the D5 series and has already been ordered by Britannia Building Society and successfully installed at the Central Trustee Savings Bank. Similar equipment forms the basis of the mainframe network set up in the Nordic countries to serve local branches of the Savings Bank organisation there, and the company has also penetrated the North American market against fierce competition.

One of the reasons for Data-

sab's success is the way in which the equipment is made—mainly to military specifications—used to make the on-board computing equipment for the (U.K. Light) CSC House, North Circular Road, London NW10 7UG. (01-903 3921.)

Gives the level on the line

OPERATING over the 10 kHz to 100 MHz range is the PSM-14 from Wandel and Goltermann, intended mainly for high accuracy selective level and attenuation measurements on telephone circuits. It is equally suitable for development, commissioning or maintenance work on all carrier wave and wideband carrier frequency systems at around the radio link intermediate frequency of 70 MHz. The system can also be used for testing and aligning filters in this band.

There are two basic units, a generator unit PSM-14 and a receiver unit PSM-14. The synchronous tuning of both the generator and receiver takes place through the locking and sweep oscillator built into the level meter. Frequency setting is continuous, with ranges —100 Hz to 100 MHz. The level measuring range extends from —120 dBm to +20 dBm and the inherent noise level is below —125 dBm (bandwidth 200 Hz). More from 40 High Street, Acton, London W3 (01-992 6781).

METALWORKING

Lightweight welder unit

RCA SOLID STATE engineers at Liege, Belgium, have developed a high-frequency electric welding system that could lead to the development of high-efficiency portable welding tools.

Advantages include simple arc ignition, continuous power regulation, and a high-stability arc, simplifying use with a variety of materials including cast iron and stainless steel. Plus a 10:1 reduction in weight brought about by the elimination of the heavy 50Hz mains transformer.

The operating frequency is 30kHz which means that the system can use a small ferrite-core transformer instead of this large transformer.

The design of such a high-frequency power system has been made possible by RCA's development of a fast-switching, asymmetrical silicon controlled rectifier (ASCR). Only by using these components is it possible to design a high-power 30kHz converter to produce the energy dissipated in an electric arc.

Continuous adjustment of the power in the arc is provided and the circuit operates in a free-running mode. Frequency and current are varied by 10:1 reduction in the load applied to the transformer.

The major difficulty in designing a converter for welding applications lies in the extreme conditions of the load, which can be open circuit, short circuit and negative resistance during welding. These three extremes are handled by three separate circuits: one protects the thyristors against the high amplitudes during no-load conditions; one

limits the current under short-circuit conditions to a value compatible with the characteristics of the transformer; and the third adjusts the damping of the oscillator circuit to regulate power during welding.

Efficiency of the circuit is approximately 80 per cent. The cost is projected to be competitive with currently available 50Hz welding equipment, while offering the outstanding advantages of a 10:1 reduction in weight.

RCA, Sunbury - on - Thames, Middlesex, Sunbury 85511.

Hardfacing cost cut

IN THE Russian journal "Welding Production" (Vol. 22, No. 10, page 84) there is a brief description of a technique, claimed to be new, for the hardfacing of internal combustion engine valves.

Using a semi-automatic machine, the working surface of the valves is hardfaced by "freezing-on" an alloy based on nickel, chromium, boron and silicon. No further details of the process are given, but it is said that the use of this new hardfacing process, instead of the customary oxyacetylene hardfacing with cobalt Steels, gives a saving of 30 to 40 per cent in the cost of the finished valve.

Throughput is up to 200 valves/hr, with valve dimensions of 30 to 60 mm diameter disc, 8 to 12 mm diameter spindle and 110 to 200 mm length. Power requirement is 44 kW.

The journal says further details of the machine (the OB-1088) may be obtained by writing to SSSR, Moskva, V-330, Mosol' moskovskaya. 35 (telex 7565).

ENERGY

Power saver industry to double

DOUBLED sales, reaching £7.047m. (at end-1975 value) in 1985 from £3.639m. last year, in the European Common Market's heating, cooling and lighting industries are forecast in a new study by Frost and Sullivan.

A major revitalisation of EEC's electrical fixture, hardware and equipment industries is under way, following upon the 1973 Arab oil embargo.

EEC countries are aiming at a 15 per cent energy reduction, equivalent to 225m. tons of oil, by 1985. Priorities call for widespread application of modern insulation, more effective control systems and improved ancillary equipment.

Ambitious plans are being made to increase the internal supply of nuclear power and other primary energy including coal, oil and geothermal, as well as more far-reaching programmes in the solar, tidal power, wind and nuclear fusion fields.

While heat pumps and their associated equipment have prime growth, significant expansion is also predicted in such product and equipment areas as air conditioning, solar panels, insulation, double glazing and monitoring instrumentation and controls.

The 246-page study finds that though national policies and wealth will largely govern the development of each country's

COMPUTERS

Simulates read-only memory

A SYSTEM that will simulate read-only memory (ROM) during microcomputer development and which allows the development engineer to produce a punched paper tape for ROM programming once the software has been developed and tested using the simulator has been introduced by Intel.

Each ROM simulator module consists of a high speed 130 ns 8k bit random access memory board which plugs into the Intellex MDS microcomputer development system, together with an interactive software program. More from 4 Between Towns Road, Cowley, Oxford OX4 3NB (0865 771431).

Univac 1100 for Scan and Quotel

CRC Group, which runs the SCAN and Quotel on-line inquiry and quotation bureaux for stocks and shares data, life and motor insurance, has decided to replace its existing IBM 360/40 and Univac 418 machines with a Univac 1100/11. The machine will be leased and has committed CRC to some £1.2m. over the next eight years.

The installation will allow scope for expansion that would not otherwise have been possible, and with restricted costs. SCAN (stockmarket computer answering service) has 70 terminals in operation, while Quotel is servicing 240: both are a mixture of direct line and dial-up. Expansion beyond a total of 400 is feasible without major investments in machine or software. For users, response time will be reduced from the current 10 to 12 seconds down to 21 seconds.

Will run on any machine with Cobol

A COMPREHENSIVE financial file analysis and information retrieval package that will run on any machine that supports Cobol has been introduced by Leonard Griffiths and Associates, 61 Grosvenor Street, London W1X 9DA (01-409 2018).

Called Fairfax, it is available as a licensed package or as a turnkey service under which the

company's staff will create any report the customer desires. Main interest will be to finance directors, controllers, audit managers and senior partners in accounting practices who need to have "exception basis" reports as quickly as possible.

PROCESSES

Marking on non-porous surfaces

STEEL STRIP, shrinkwrap film, polystyrene trays, rubber backed materials (carpet), wax or plastic coated cartons, vinyl tapes, and similar products with non-porous surfaces, while travelling on conveyor lines, can be marked with the new low-cost Flexorel unit, introduced by Lawtons of Liverpool, 60 Vauxhall Road, Liverpool L69 3AU (051-227 1212), an Ofrex Group company.

Using interchangeable rubber type, the machine can mark varying or standing data (codes and dates and trademarks) on a individual items on a conveyor, or continuous material from a reel. A range of type faces is available.

The print area is up to 1 x 15 inches, and a 150 or 300 degree cam action gives random or registered printing as required. Units can be mounted left and right, above and below the conveyor line, permitting marking on all sides in one pass.

The unit will be on show at the International Broadcasting Convention being held at the Grosvenor Hotel in London, September 30/24.

Link Electronics of Andover (0264) 61346.

How to save expensive water

PRESSURE on companies to save water in every way possible is increasing, but many companies, particularly the smaller ones, have no time and relatively little expertise to devote to what can be, in some cases, an extensive redesign of operating procedures.

To advise on water saving, a multi-disciplinary group has been set up by Quantum Science and Environmental Resources, able from 10 to 200 watts has been announced by English Electric 100 engineers and scientists who have been engaged in water processing techniques for most of their working lives.

The group points out that while water-intensive industries are hard-hit at the moment the situation could also affect the water-reliant industries—that is operation where relatively small amounts of water are used but where if water is cut off, the process line has to stop. Electronic circuit manufacture is a case in point.

The group is offering various services to companies who are over-temperature.

We pay for your steel until you need it

likely to be threatened. T run from an assessment situation and a report on the design, selection, install, and commissioning of equipment designed to run process water for reuse.

ELECTRONICS Package for outside broadcasts

THREE British companies and their Australian agent have landed an export contract for one of the first sound outside broadcast mobile units to be used by the ABC—Australian Broadcast Commission.

Link Electronics, Rupert Nave and Co., and Dell Coschbuilder have been working on the project with Magna-Technics, main local contractors to ABC.

The sound recording vehicle will be built by Dell and fitted with sound equipment by Nave at Marlborough, Herts. Link also is supplying and fitting CCTV equipment and part of the technical installation.

Two or three people will operate the installation which will have a Nave console built to ABC specification and able to handle 40 input channels fed by a 16-track recording unit by Ampex.

The unit will be on show at the International Broadcasting Convention being held at the Grosvenor Hotel in London, September 30/24.

Link Electronics of Andover (0264) 61346.

Tubes in several sizes

A NEW range of travelling wave tube amplifiers with output from 10 to 200 watts has been announced by English Electric 100 engineers and scientists who have been engaged in water processing techniques for most of their working lives.

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SHIPBUILDING BILL

Kaufman in row over tribunal findings

By JOHN HUNT

about vote reverse of EEC elections

Philip Rawstone

THE National Executive Committee yesterday decided to vote against the party conference's decision to support the party's bid to win a seat in the European Parliament.

The decision will go to the party conference in September, which will also decide whether to support the party's bid to win a seat in the European Parliament.

Mr. Shirley Williams, Secretary of State for the Environment, said that the party should not be "tied to terms" with EEC elections, which they were heavily opposed.

Eric Heffer, who led the party to the introduction of the party's bid to win a seat in the European Parliament, secured a 17-3 vote.

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MR. GERALD KAUFMAN Produced newspaper report

Mr. Kaufman also told the House that despite conducting a campaign against nationalisation, Bristol Channel Ship Repairs had now come to the Government for £20m of assistance in order to complete a proposed £40m dry dock at Port Talbot.

He also took Mr. Wigley to task for claiming a "magnificent" industrial relations record of the company. In fact, said the Minister, between 1967 and 1969, there had been a strike there which had lasted for two years.

Needless anxieties had been created, he said, by the management's claim that nationalisation would result in the closure of the company's yards. He said that the Government had no such plans.

Moving the amendment, Mr. Wigley maintained that nationalisation of ship repairing would not lead to the industry being run in a more democratic manner. It would only mean that the industry would be replaced by faceless bureaucrats.

The Bill gave no guarantee of jobs at all and the Government had given no justification for including the industry in it. It was a service-based industry which needed to be flexible and to respond quickly in a competitive international market.

Obviously believing that he had cut the ground from under Mr. Wigley's feet, he added, triumphantly, that the industry was a service-based industry which needed to be flexible and to respond quickly in a competitive international market.

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NEC move to oppose rebel Scots MPs

By Philip Rawstone

NEW LABOUR candidates are to be selected to contest the seats of the two Scottish Labour rebels, Mr. Jim Sillars and Mr. John Robertson, who earlier this week formally broke with the party in protest over the public expenditure cuts.

Labour's national executive committee yesterday gave its approval to their local parties in South Ayrshire and Paisley to choose replacements for the next general election.

The move is bound to widen the rift with the two MPs and throw further doubt over their future voting support for the Government in the Commons.

The NEC yesterday also rejected an appeal by Mr. Frank Tomney, MP for Hammersmith North, against moves by his local party to replace him as Labour candidate at the next election.

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Minister stresses fishing zone must be 'adequate'

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

COASTAL BELTS for the U.K. under the EEC's fishing limits would have to be adequate, and their adequacy would be the only basis on which the policy would be acceptable to the Government.

Lord Campbell of Croy, for the Opposition, said that the 200-mile zone should include not only fisheries but oil, gas and the control of pollution and traffic.

Impending 200-mile declarations by other countries would mean that our fishing fleet would have to operate nearer home in future. The EEC Common Fisheries Policy would not apply in the new world of 200-mile limits.

When determining the exclusive fishing area, the Government should remember the areas such as the West coast which might become important as new types of fish were sought.

Lord Mackie, from the Liberal benches, said that progress in the Law of the Sea Conference had only been achieved because of the acceptance of unilateral actions of individual States.

It was important to have an exclusive fishing zone so that it could be adequately policed. Many foreign vessels were using illegally small nets.

Lord Boothby, from the crossbenches, said that herring had disappeared from the North Sea. He strongly supported the suggestion that there should be a 50-mile fishing limit. This was absolutely essential.

Lord Roy, on the Labour benches, said that there had been a new agreement between Britain and Ireland. Until important policy decisions had been taken, the fishing industry would be unable to plan its future.

Lord Vernon, on the Tory side, said the Government should be formulating plans now on how to deal with the situation.

The Speaker, Mr. George Thomas, promised to see if there was any way he could help, but added that none of the five speakers he had served under had been able to find a way. "I doubt whether I shall."

Mr. Bruce Grocott (Lab, Lichfield and Tamworth) said the South African Government's policy of setting up a "so-called independent State" was cynical.

"In no sense can this State be recognised, as economically or politically independent. It would be a great help to those people who are struggling towards majority rule if the British Government made plain that it would give up the legal right to recognise the 'Transkei'."

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Tory's 'death strip' remark can hinder detente, says Minister

By JOHN HUNT

A TORY backbencher who referred to the "death strip" between East and West Berlin would be rather in the interests of those who want to see the detente policy work, to use more temperate language when we are describing the problems.

The exchanges came after several backbenchers had urged the Government to raise with the Russians their refusal to issue exit visas to people wanting to be re-united with their families.

Mrs. Helene Hayman (Lab., Welwyn and Hatfield) said she should make clear to the Soviet authorities, if only in private, that she was not in Britain about cases like that of Miss Ida Nudel, who wanted to join her family in Israel.

Mr. Reginald Maudling, shadow Foreign Secretary, intervened to protest at the Minister's "strange indignation."

Mr. Tomlinson told him: "It would be rather in the interests of those who want to see the detente policy work, to use more temperate language when we are describing the problems."

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Comfort all the way to Jo'burg every day.

Every evening a giant Jumbo 747 Super B takes off at Heathrow, bound for Jo'burg. We call it the Flying Hotel, because the interior has been designed to give you the comfort of a grand hotel.

For a start, there are fewer seats in the aircraft than you might expect. So you can stretch your legs. And the armchairs were specially designed to give you more comfort.

From the moment you board, a friendly maitre d'hotel and his thoughtful staff make sure you enjoy your stay.



A typical Economy Class dinner.

The remainder will be found from current expenditure. The Government will decide on the details when I have considered the proposals for the 1977-78 estimates.

Child tax allowances

CHILD TAX allowances are given for 500,000 children who are not resident in the U.K. Financial Secretary Mr. Robert Sheldon said in a Commons written reply yesterday.

Mr. Sheldon said: "The estimated cost of these child tax allowances, at the rate for children under 11, is £55m."

Bank holiday in Scotland

MONDAY, June 6, 1977, will be designated as a bank holiday in Scotland to mark the celebration of the Queen's Silver Jubilee, Scottish Secretary, Mr. Bruce Millan, announced in a Commons written reply yesterday.

Comfort all the way. South African Airways. Where no one's a stranger.

BY ANTONY THORNCROFT

dures joins the nostalgia bandwagon with its commercial for Bournville Selection.

colate prices, depressed competition, and a recent publicity claim: that the sell in Bournville Selection is right target. This is something of achievement since the very weather in recent weeks has been so variable that it has up to 80 per cent. But Cadbury's dominance, the strength of its advertising (based now at £25,000 a commercial week), and the company's technical expertise in confectionery are not the only complex escapist approach of Blackie and number two brand's All Golds, and even the fact that the company seems to be convinced the trade.

Wreath Hughes, the marketing section, reckons that Bournville Selection is "our most important brand for over 20 years." It is used in so many national sales, and the company hopes sales of £10m. by the end of

prices—Rowntree and Mars have already announced rises and Cadbury has plans for an August increase.

Even higher prices may not compensate for the ravages of the weather, which will ensure that the average sales for the year will be around 7.4 ounces a week, the same as in 1978. The hot spell has upset all the forecasts and put great pressure on the marketing departments of the three very companies.

One solution has been to stop supplies to the stores, but some producers have adopted a more adventurous approach.

They have used a technique to verify the advantages of putting its Mars bars in the fridge, and Cadbury has made, at a cost of £25,000, a commercial for Cadbury Dairy Milk which shows this top selling confection line being enjoyed in hot weather.

Call Sue Bancroft about our Single/Double/
Twin or Penthouse suites, each with
Cable TV and private bath.

Call Chris Barnett about our conference
facilities, for 15 to 600.

Call Josef Lanser to sample the genuine
French cuisine of the Rousserie Normande,
and its Executive Luncheons.

THE PORTMAN
INTER-CONTINENTAL THE FRIENDLY HOTEL
01-486 5844
PORTMAN SQUARE, LONDON W.1.
OWNED AND MANAGED BY
THE PORTMAN HOTEL TRUST
TELEGRAMS: "PORTMAN" LONDON
TELEPHONE: 01-486 5844

Bristol

The centre of the future

Bristol is under two hours from London and under one hour from South Wales. To the North and South West, the M5 makes communications equally good. Rail links are superb. Bristol has land, enthusiasm and - a big future. Come and join us.

Please send me details about Bristol as a centre of industrial development.

NAME _____
POSITION _____
COMPANY _____
ADDRESS _____

**To: City Public Relations Officer,
 The Council House, College Green,
 Bristol BS1 1TR.**

BY OUR MARKETING EDITOR

	By Medium		Press by Type			Press by Medium		
	Total	TV	Print	Display	Sales	Index	Magazines	Papers
1974*	761	176	585	287	218	80	434	71
1975*	817	208	609	317	285	86	444	79
1976*	992	270	722	386	350	97	529	96
			Percentages					
1975	7.4	28.2	4.1	10.5	-6.0	7.5	2.3	21.3
1976	21.4	29.8	18.6	21.8	16.6	12.8	19.1	11.5

(1) Excluding production costs, directories, posters, cinema and radio.
 (2) For comparison, the retail price index is shown, assumed to rise by 17.5% in 1976.
 * Actual figures.

As a result, and helped (sadly) by a higher than anticipated inflation rate for the year 1976, the advertising expenditures for this year is expected to be \$50m. higher at \$992m. (Rather irritatingly the Y and R forecast for 1976 is \$992m. for all industries, posters, cinema and radio and is, consequently, lower than the official Advertising Association figure.)

Notwithstanding the higher inflation rate, the predictions suggest that the advertising business will

NO manufacturer of consumer goods can afford to ignore the cash and carry phenomenon which is growing in popularity. The early concentration on grocery lines to be an important source of supply for the small retailer in markets stretching from children's clothing to the car.

So the latest study from the Retail Outlets Research Unit at Manchester Business School, partially financed by the Institute of Marketing, Distribution and Sales, shows that cash and carry is cheap at £8. It looks at the density of cash and carry wholesalers and examines the changes in the number of outlets and the sale floor area rose by 39 per cent while the number of depots declined by 10 per cent.

The report also underlines the concentration in the industry - in 1972 the 10 largest companies had 44 per cent of the floor space; they now have 60 per cent, while the next 35 firms have 25 per cent of the floor space. The size and growth of the main operators is spelled out, showing that Wheatsheaf now runs over 12 per cent of all floor space, followed by Nurdin and Peacock with 8.5 per cent and Booker McConnell with 8.3 per cent.

Among the other interesting facts is the density of floor space in various parts of the country, showing that while the West Midlands by 1971 was 20 per cent more densely developed than the East of England, it still increased its floor space by 50 per cent in the next four years. Wales in contrast continues to be lightly covered with depots.

THERE has been a spate of useful information for advertisers and agencies appearing this week. Pride of place goes to "Review of the main research sources for products and media," prepared by Tony Twyman and published by the IPA at 25.

The booklet gives details of all the main consumer research sources in the U.K., so that for any product or market details of the information available, and how it is collected, is easily discovered.

Also from the IPA is a legal checklist for advertising agencies, which informs them of all they need to know when making legal arrangements with clients, including changes to the clauses on charges and new clauses on copyright and the A.A. levy.

Finally J. Walter Thompson has published two more papers in its series stating the case for advertising. One is "Advertising Facts and Figures," by David Dunbar, a compilation of statistics, especially relating to expenditure (and many are rather out-dated), and "Advertising and the Nationalised Industries," which says that last year they spent £14m. on advertising.

HOUSEWIVES emerge from supermarkets with 45 per cent more goods than they planned to buy, according to a Business Decisions survey, how housewives really shop, which itself is the subject of a new book. Shoppers were asked about their shopping intentions before entering some Fine Fare, Tesco and International supermarkets, and their actual purchases. On average, they bought 45 per cent more than 20 per cent of all the unplanned purchases were prompted by "money off" offers, special promotions generally, and low prices. A further 10 per cent came purely from impulse.

On the other hand 20 per cent. of the shoppers' intended buys were not acquired inside the supermarkets. The researchers also discovered that there was a clear price expectation on just over 70 per cent. of the planned purchases, with the under 25s having slightly more specific price expectations. Local shoppers to a store, and once-a-week shoppers, are likely to pay more than they originally

information communication

Please tick appropriate box

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Name _____

Address _____

Tel No _____

Contact: S. D. Dept
 Waddingtons
 Playing Cards
 Wakefield Road Leeds 10
 Tel: Leeds T12B44

AN extraordinary turnaround in the fortunes of Bates has seen the company advertising account which it has held for less than four weeks. The trouble was that other Bates clients, the Electricity Council and the Southern and Eastern Electricity Boards, regard the Argos catalogue showrooms as competitive to their business, and since they will over £2m., as against the £400,000 Argos expenditure. Bates acknowledged an error of judgement and regretfully gave up the account.

It puts Argos in a spot since on August 16th it is introducing its new catalogue, containing 2,000 items and distributed to 1.2m. prospective customers. Fortunately Bates has already produced the advertising for the £15,000 launch of the catalogue, and Argos will manage to place it in the media.

A bigger problem is the eleven new showrooms to be opened in the autumn, starting at Bromley on September 18th. But within hours of the news of the resignation agencies were contacting Argos, a subsidiary of Green Shield stamps, offering their services, and a new agency should be chosen within two weeks.

AGB is to hold the JICTAR contract, the task of measuring the audience for ITV. After examining presentations from six research companies the Joint Industry Committee for Television Advertising Research, representing advertisers, agencies and TV companies, has concluded that the survey is the biggest research survey in the U.K. and probably the world, worth over £700,000 a year.

Among the other contestants were Nielsen, former holders of the contract, and the two networks, Marplan, and a consortium in which Marplan and the networks have teamed up. The consortium is named after the research company.

AGB was the obvious favourite. Channing the research

company cange problems with the data, and since the whole structure of commercial television goes into the melting pot in 1979 it would be a bold move to disturb a successful and established supplier of information, even for a cheaper alternative.

For such a possibly short period of time.

But there is a change to the contract. AGB will hold it for just one year on a rolling basis, with one year's notice. This might bring it into line with the way the contractors operate. The contract will be attached to the TV sets in 2,655 homes, with diaries of programmes watched as well.

COLLETT Dickinson Pearce is angry with the Post Office. Not because it has moved him. Not because it has moved to Dorland, but because it kept the whole operation so secret. All CDP got was the notice of resignation.

It is also cross because it handled the account for seven years when the P.O. advertising budget was the size of a postage stamp. Early for Christmas" type campaigns. It constantly suggested a wider, image-building, campaign to make the public think better of the postal services, but the management refused to consider it. Justify it. Now that the P.O. is in profit there could be a bigger budget to the benefit of Dorland.

DOYLE DANE, which aims for billings of £12m. this year, has appointed Colin Cadman as deputy managing director. Responsible for new business.

Brian Waldron becomes chairman and managing director.

RASKIN ROBBINS, the largest advertising agency in the U.S., opens its first parlour in London on August 2nd. Initially five offices have been selected, and 31

flavours from a range of 500 will be on offer. Advertising is to be handled by Kierwinn on a fee basis, with the first Press advertisements appearing tomorrow.

VINERS, the leading Sheffield cutlery and holloware manufacturer, has chosen Ayr Barker Hegemann to handle its £200,000 advertising budget. BSE takes effect in January. The business was with Stafford Winfield Cook before that agency went into liquidation.

BYFIELD WHELAN has been appointed by the COI to look after the advertising for the Ordnance Survey. The account, previously with Chetwyns, is worth around £75,000.

JUNE EXPENDITURE on display advertising at the card cost was £54.9m according to MEAL. This was 18 per cent. higher than June last year, and brings total expenditure during the second quarter of 1978 to £173.9m, a 14 per cent. higher total than the 1977. Gross expenditure on television was 23 per cent. up, 26 per cent. for newspapers and 12 per cent. higher in magazines.

BY ANTONY THORNCROFT

A SITUATION with frightening implications for the advertising industry has arisen in the area of medical journals. In an attempt to reduce the amount of money that the pharmaceutical companies spend on promotional advertising, the Minister for Health, Mr. David Owen, has ruled that only the advertisements in journals which get a substantial proportion of their revenue from subscription sales can be allowed as a cost against the tax. This excludes The Lancet and two other publications.

But there are around 30 journals distributed to doctors under controlled circulations and they face a grim future. They include The Practitioner, published by Morgan Grampian, the journal most read by GPs. In the future advertisers will be reluctant to ask space in them at the higher real cost. The Periodical Publishers Association has taken up the matter and hopes to arrange a meeting with the Minister.

Mr. David Burnett, director general of the PPA, is that such Government interference could extend to other areas of advertising. "It is quite extraordinary, but it would appear that if the Ministers force through his recommendations men, the strongest and most widely read medical publications will be excluded from the approved list."

ONE of the most significant marketing developments of the last decade has been the way that the retail outlet has grown in importance at the expense of the manufacturer. The big national chains are beginning to assert their dominance by taking over the advertising role—nine of the top ten advertisers in the U.K. last year were retailers.

But there is still a gulf of ignorance between suppliers and the major retail groups. What is the attitude of Mothercare to advertising? Of Sainsbury to advertising and promotion by suppliers? How does the leading department store, Debenhams, view Boots and Boots see its customers? These, and many more questions, are answered in "The Retailers," a book by Edwin Ormsien, published this week.

The methodology of the book has been simple. Ormsien talks to leading executives in 25 major retail groups. The interviewees include Daisy Hyams of Tesco, S. K. Zilkha of Mothercare, Keith Woolleigh of Woolworth, E. Aylett Moore of Whitehead, and many more in director rank. Their comments are channelled into various subjects, like Service, Control Policies, Incentive Promotions and Location.

The virtues of the book should be obvious. The appointments are clearly of great value making. The conversations took place before the Government began to bear down heavily on the retail trade so there is no comment on the crushing burden of price controls and form filling, which has threatened to lead temporarily the whole retailing climate. The unions, and staff wages, also get scant attention.

But the book's concentration on marketing matters will appeal to manufacturers, who should be its keenest readers. Seldom can so many influential, retailing executives have offered so honest a glimpse to fortune. "The Retailers" is a sum of quotes and best summed up that way.

"The ring on the till is our main form of market research" —Harry Shepherd, Marks and Spencer. "Quite a lot of local test marketing is done, often on a small scale. A fair test requires about 20 stores spread around the country, for a minimum of 12 weeks, although this may vary with the type of product" —Daisy Hyams, Tesco. "We have no intention to dilute the specialisation, nor to be a general store" —Zilkha of Mothercare. "We must always be ready for market changes. Our larger freezer centres have a surplus of space, and some complementary goods might be stocked" —Billy Perry, Belfair.

In the long run, discount stores are likely to disappear," H. J. Potterton, Currys. "Why spend large sums on non-selective advertising when many branches are trading to capacity?" —Wood, Sainsbury.

"Trend is essential to do good rather than windows. Invite them in rather than show merchandise in window" —Keith Woolleigh, Woolworth. "Suppliers rarely contribute to costs of promotion and control is essential" —Smith. "In recent reading campaign, publishers contributed 30 per cent. Price deals are the normal rule" —Simon Hornby, W. R. Smith.

The Retailers, Edwin Ormsien, ABP £11.50p.

This announcement appears as a matter of record only.

The Industrial Bank of Japan, Limited

(Kabushiki Kaisha Nippon Kogyo Ginko)

U.S.\$20,000,000

8 $\frac{1}{2}$ per cent. Notes Due 1981

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Ltd.

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Limited

Jardine Fleming & Company
Limited

Kuwait Pacific Finance Company
Limited

United Overseas Bank Limited
Singapore

Wardley Limited

Aseambankers Malaysia	ASEAM Capital Corporation Limited	Asia Pacific Capital Corporation Ltd.
Asia International Acceptances & Capital Ltd.	Asian International Merchant Bankers Berhad	Ayala Finance (H.K.) Limited
Bache & Co. Asia Pacific Ltd.	Bancom International Limited	Bangkok Bank Limited
Bainputra Merchant Bankers Berhad	Chase Asia Ltd.	Citicorp Financial Limited
Daiwa Securities (H.K.) Limited	Dresdner (South East Asia) Limited	First Chicago Asia Merchant Bank Limited
Hill Samuel Pacific Limited	Indo-Suez Asia Ltd.	Inter-Alpha Asia (Hong Kong) Limited
Kuhn, Loeb & Co. Asia	Kwong On Bank Limited	Kyowa Finance (Hong Kong) Limited
Mithai Europartners Finance and Investment Ltd.	Morgan Grenfell (Asia) Limited	New Japan Securities Co., Ltd.
The Nikko Securities Co. (Asia) Ltd.		The Nippon Kangyo Kakumaru Securities Co., Ltd.
Nomura International (Hong Kong) Ltd.	Okasan Securities Co., Ltd.	Orion Pacific Limited
Pan Asian Finance Limited	P.T. Merchant Investment Corporation	P.T. Mutual International Finance Corporation
SBC Finance (Asia) Limited	Schroders & Chartered Limited	Singapore-Japan Merchant Bank Limited
Sumitomo & East Asia Limited	Son Hong Kai International Limited	Takugin International (Asia) Limited
Tokyo Finance (Asia) Ltd.	Trident International Finance Limited	UBAN-Arab Japanese Finance Limited
United Chase Merchant Bankers Limited	Vickers, de Costa & Co. Hong Kong Ltd.	Wako International (Hong Kong) Ltd.
	Yamaichi International (H.K.) Limited	

July 1976

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THURSDAY, JULY 29, 1978

The break with Uganda

UNTIL YESTERDAY, Britain had never broken off diplomatic relations with any other member of the Commonwealth, despite the disputes and disagreements that have from time to time erupted. It may seem somewhat surprising, therefore, that the U.K. Government should now have taken what is historically a dramatic step, by breaking off relations with Uganda, but to have announced the fact in terms that are guarded, anodyne and even weak. Beyond saying that the situation had become untenable, the Government has refused to elaborate on its reasons for embarking on a course that, in the normal language of diplomacy, is usually taken to imply a controlled expression of displeasure, if not of actual hostility.

Defensive

The apparent contrast between the firmness of the British Government's action and the softness of its explanations does not mean that it has been misguided in either respect, however. For the rupture of diplomatic relations is, in the Ugandan context, a defensive not an offensive act. President Idi Amin is notoriously unpredictable and violent, and in his case the normal language of diplomacy would be neither appropriate nor, above all, effective. In his harassment of British diplomats in Kampala, the President showed no fear that the might precipitate a break in diplomatic relations, and while the implementation of the break may cause a stir in some quarters in Uganda, it would be sanguine to suppose that it will have much influence on the policies and practices of the President.

The primary purpose of the British Government's decision has been to save British lives. Since the decision of principle was taken over a fortnight ago, considerable efforts have been made to evacuate those Britons who could be persuaded that it was in their interest to leave Uganda. Those who have stayed behind have made their own assessment of the degree of risk they were or might be

Company law reform by stages

THE LAST CONSERVATIVE Government published a comprehensive White Paper on the reform of company law—intended to cover not only a mass of technical reforms left over from the report of the Jenkins Committee, but to remedy various abuses which had attracted publicity—and embodied a large number of its proposals in a Bill. This Bill was lost when the Government fell, and the Labour Government has had too heavy a legislative programme of its own to take it up.

It has however introduced a Companies Bill to deal particularly with the responsibility of auditors, one of the subjects covered in the Conservative Bill, and it is interesting that the Opposition have now taken on to it two amendments taken straight from that Bill. The first would make it obligatory to disclose a shareholding of 5 rather than the present 10 per cent. and, within three rather than 14 days, the second would enable the directors of a quoted company, subject to certain safeguards, to demand to know on whose behalf any shares are beneficially held and would thus greatly reduce (except in the case of overseas shareholders) the scope for abusing a nominee shareholding.

Bullock report

The interesting fact is that it now seems possible that both these Opposition amendments will be accepted by the Government to-day. If it does so, two tentative implications may be drawn. The first is that the major new Companies Act to update completely that of 1948, which many people have been expecting, could become less urgent, and the major outstanding issues dealt with by stages. Some will be covered by the present Bill. Another Bill will almost certainly be presented during the 1978/79 session to incorporate the findings of the Bullock Committee on worker participation. It would not be difficult to incorporate in this second Bill a section dealing

with the responsibilities of directors, including the question of conflicting interests. That done, it would be possible to take on to tackle on clauses dealing with such issues as the insider dealing, the present Conservative amendment on this issue has been rejected only because the definition is regarded as unsatisfactory, non-voting shares, and the various matters covered in the recent White Paper on the Corporate Report. This would not be a comprehensive reform, but at least it would deal quickly with the main practical issues on which both parties seem to be fairly well agreed.

Pragmatic

The second implication that may be tentatively drawn, if the Government accepts these two Conservative amendments, is that it is committed to improving the present methods of company surveillance rather than to introducing major institutional changes. That the Government's attitude is of this pragmatic sort seems to emerge from Mr. Dell's reply to a letter from the chairman of the Stock Exchange (arising out of the recent Lombar report) about the role of inspectors.

He then made it clear that he was in favour of retaining the present system but not averse from improving it, by expediting reports, by using solicitors as inspectors in suitable cases, and perhaps by making the borderline between fact and opinion rather more precise. Similarly, it would seem that he is anxious to proceed with reforms of company law which define duties more carefully and call for fuller disclosure of relevant information. If this is the direction of his thinking, however, it is unlikely that he favours the establishment of some new supervisory body with sweeping powers of inspection. For the moment, at any rate, there does not seem to be much reason to anticipate the introduction of an American-type SEC.

Comecon is running into debt. Mary Campbell and David Lascelles discuss Communist creditworthiness

What eastern Europe owes the capitalists

TRADE WITH the Soviet bloc may still be of minor importance to the West in overall statistical terms since it accounted for only 5 per cent. of OECD members' total trade in 1975, but there are two things about it that are hard to ignore. One is the speed at which it is growing—currently by more than a quarter every year. The second is the enormous imbalance, with the West selling far more than it is buying. The result is an ever widening deficit in Comecon's hard currency account which has reached the stage where it is causing concern in both East and West.

By western estimates the debt had reached more than \$300bn. by the end of 1975, and the trends were worsening. In 1975, the deficit in Comecon's trade with the West was \$80bn., equivalent to nearly half the value of Comecon exports to the hard currency area.

In order to finance this debt, the East Europeans have turned with mounting frequency to western capital markets. Publicised Eurocurrency borrowings by Comecon members in 1975 amounted to \$2.3bn., more than twice what they had borrowed the previous year, and the evidence so far this year suggests that the pace has not slackened. This month the Russians borrowed another \$250m.

Several points need to be made. First, a debt of \$300bn. is not excessive for an economic grouping of the size of Comecon with a population of 350m. and some of the largest raw material resources in the world though getting them out does require money. On the other hand, Comecon now accounts for over 10 per cent. of all publicised Eurocurrency loans, which is far more than its tiny share of world trade justifies. Moreover there are doubts about how easily the accumulated debt will be paid off because of Comecon's uncertain export prospects, while the recent drop in the gold price was a reminder that Russia's traditionally "gold bottomed" guarantee could be questioned.

Second, half of the debt is accounted for by two countries only, Poland and the Soviet Union, both for special reasons. At the beginning of the 1970s, Poland embarked on a course of industrial reconstruction which involved exceptionally big purchases of capital equipment from the West. The Russians' debt is largely due to the shocks of two harvest failures in the last three years.

But in the rest of Comecon the trend is also down into the red. This can partly be explained by the ambitious economic plans of these countries. The growing shortages of supplies of readily available raw materials, fuels and even manpower, as well as the need to achieve far greater efficiency in industry, all demand technology and equip-

ment of a standard only available in the West.

Nor should the political pressures of growing consumerism be ignored. Defence and heavy industry may still get priority. But living standards are given growing importance in most East European countries, and much plant has been imported to raise them, particularly in food, drink, textiles, household goods, and cars.

The western recession combined with inflation was another element making for a heavier indebtedness on the part of Comecon countries: they reduced demand for Comecon exports at the same time as prices for Comecon imports went up.

The descent into debt was made respectable for the rest of Comecon by the Russian example. The only country which did not join the bandwagon to import new technology was Czechoslovakia, from a mixture of pride and lingering timidity from 1968. But it is paying the price. Its capital stock has aged and its once famous engineering products now account for a smaller part of total exports than ten years ago.

The debt is seldom discussed openly in East Europe, and not at all in the Soviet Union where most people are kept in ignorance of how much their country owes the capitalists. But Comecon bankers treat it seriously and by all accounts responsibly. Despite the increased borrowing, Comecon maintains its first-class repayment record, and so far has been obtaining the best rates in the market.

First round won

The fact that East European borrowers have managed to command the best terms in the Eurocurrency market has been a problem for international bankers ever since the Comecon countries started to borrow significantly in 1972-3. In recent weeks, complaints have become more frequent and whether the market will succeed in forcing East European borrowers, particularly the Soviet Union, to pay more for hard currency borrowings is currently very much the question.

The indications so far are that the Soviet Union has won the first round. There is little doubt that following the \$900m. loan for the International Investment Bank (classified by banks as Soviet risk), major international banks intensified their pressure for the margins which East Europeans pay over basic international bank rates to be widened. East European countries have borrowed very heavily in the last year, and they accounted for about 12 per cent. of publicised Euro-Market loans last year and 14 per cent. in the first half of this year, according to provisional figures. On the other hand, events proved that it was still



Building a pipeline in Central Asia with western equipment. It will link up with the network intended to take natural gas to West Germany and Austria as a hard currency earner.

perfectly possible for the Soviet Union to raise large sums—for instance the \$250m. loan for the Soviet Foreign Trade Bank just completed on terms as good as ever.

The three biggest American banks were noticeably absent from this loan. However, it had been underwritten by a total of 12 banks (committing themselves to between \$15m. and \$25m. in the event of no funds being raised from outside the institutions), and 26 additional banks eventually contributed. Two East European owned banks were in the underwriting group.

The controversy which raged around this particular loan, however, served to highlight the market's growing wariness towards East European credit; the successful completion of the Foreign Trade Bank's loan could prove a Pyrrhic victory.

In the background is the mounting East European hard currency debt and the rapidly with which it has risen in recent years. In addition—and of more direct concern to banks—so far as the increase in debt consists of commercial bank loans, the Eastern European debt has eaten up more than its fair share of banks' lending resources. Within limits, Euro-market banks tend to be more concerned about diversification of risk than about the creditworthiness of particular borrowers. When Eastern European countries first started borrowing they provided a welcome new diversification of risk, a factor worth a lot to lending banks; now the opposite is the case.

That is not to say that any single bank may want to stop lending to Eastern Europe altogether. One Euro-market banker summed up the position last week by saying that his bank was prepared to continue to lend

every effort to continue to lend in order to protect the loans they have previously made.

This is particularly true of West German banks and the latest analysis by the Bundesbank suggests that the future of the West German economy is now closely dependent on the extent to which Western banks are prepared to continue to extend credit to East Europe.

The Bundesbank notes that East European debt to West Germany alone amounts to about \$80bn. while West Germany has a cumulative trade surplus of over DM22bn. (about \$4.5bn.) with East European countries in 1972-75. East Europe, it says, is absorbing more than half of Germany's exports of capital and provides the largest part of its overall trade surplus. Although the Soviet Union being ranked higher than those which are less other countries' movement out close. It is probably true to say that the international banks East Europe as an export market, it is doubtful how far the they could have cut their previous build up can be reversed.

COMECON DEBT AT THE END OF 1975

	1975 trade with hard currency area			Accumulated debt (\$)	Debt as % of exports	Pt. Start be
	\$bn. Imports	\$bn. Exports	\$bn. Balance			
Bulgaria	1.1	0.4	-0.7	75	430	
Czechoslovakia	1.9	1.6	-0.3	1.5	75	
GDR (b)	1.1	1.0	-0.1	3.5	350	
Hungary	1.3	1.2	-0.1	2.9	190	
Poland	5.4	3.2	-2.2	4.6	188	
Romania	2.6	1.7	-0.9	3.6	176	
Soviet Union	12.1	8.8	-3.3	13.0	148	
Total	25.4	17.9	-7.5	36.0	172	2

Notes: (a) Author's estimate calculated on the basis of 615 table of reported bank loans and repatriation of December 1975 government credits and other borrowings. (b) Excludes trade with West Germany where the GDR has a debt of about \$10m. in 1975. (c) Figures in millions of West German marks. Source: Comecon 1980 by David Lascelles, to be published by the Financial Times in September. Basic trade data from OECD, Eurocurrency borrowings from IMF Survey, February 1976.

MEN AND MATTERS

A traditional bank's banker...

Courts and Company is a subsidiary of National Westminster Bank but the two groups have little in common. So it was no surprise yesterday that Courts, a bank which tends to go its own way, announced its new chairman a day after the interesting change of top man at NatWest.

Courts, and its frock-coated male staff, retains long family traditions, exemplified in David Money-Coutts (can any banker be blessed with a better surname?), who takes over the chairmanship from Sir Seymour Egerton in September. Money-Coutts has spent all his working life with the bank and is a direct descendant of Thomas Coutts, senior partner from 1775 to 1822. He will combine, at least for the time being, the jobs of chairman and managing director.

Egerton has been chairman for 35 years, going into the bank after the war as a result of an invitation from David Roberts, a member of one of the Coutts banking families who became chairman of National Provincial and of NatWest—and whose nephew Julian Roberts is Courts deputy managing director.

As for Courts itself, it remains convinced that its market is with that prosperous section of the community prepared to pay for a special service like full narrative bank statements. Changes do come, of course: it is making a tentative move into the provinces later this year by opening a Bristol branch, the first outside London, apart from Eton (Money-Coutts and NatWest's new chairman Robin Leigh-Pemberton share the educational background of Eton and Oxford).

But elite behaviour persists. Some of NatWest's customers are probably nettled by the £50 minimum current account bal-

general of President Giscard d'Estaing's office. He has quit that job after having apparently failed to see eye to eye with some of Giscard's more controversial initiatives and policies. To Credit Lyonnais, he would bring the valuable experience of a former director of the French Treasury; he was one of Giscard's leading advisers on international monetary affairs when the president-to-be was finance minister.

Problems of the 6 to 10 mile ride

If you went into a tobacconist to buy three packets of cigarettes, were charged 60p for the first packet, 30p for the second and 40p for the third you might understandably be a bit miffed. But this is approximately what happens if you take a taxi ride according to the Tariff Reform Group set up by a number of taxi drivers under the chairmanship of Sidney Pearce.

The way that the fare structure is organised, the average ride is calculated at around 21 miles, while the average rate is 28p a mile. However if you take a cab for less than 21 miles or more than 31 miles you are actually subsidising cab users who travel distances in between these two distances.

The TRG is campaigning to get this system changed. What they want is a 20p hire charge, plus a flat rate of 40p a mile, and they are gradually gaining support among London's 16,000 or so cabbies.

Pearce, now 52, has been a cabbie since 1963. Sitting at ranks waiting for fares he abandoned reading paperbacks for heavier material such as Adam Smith's *Wealth of Nations*. This he followed up with an economics "A" level, is



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Observer

ECONOMIC VIEWPOINT

BY ANTHONY HARRIS

Treasury's sums and inflation

THINGS stand out about the Treasury's sums and inflation. The Chancellor's last week: they have been ordered on a reluctant by foreign opinion, y were drafted in detail rit of cynicism. This is clearer than in the i to raise employers' e contributions by 2 per is will certainly reduce owing requirement, but not nose-thumbing post y. The implied thought be: "Well, since you e will cut the borrowing ent (though it is on a common measure, e of you are running); e spending is our own ayway, we've been tell- that the pound is under- so we'll do it in a way il-raise the price of and make you pay for its you want."

is, in fact, a kind of a logic in what has e more clearly as imposed a sizeable e export tax after a e devaluation in the 60s, and the slide in the loss offer a temporary ty to shift part of our den onto our foreign rs. But it is almost unduly flattering to asy to attribute such otives to the measure. usury was cornered by ho found its policies ed, and it chose what as the least politically ay out.

fact is that Treasury has shown every evi- intellectual confusion: e past three years, ever first emerged that the processes of demand sent arithmetic were g figures for the public borrowing requirement the financial markets

Augustinian

The answers on public spending were in fact largely contained in last winter's Augustinian White Paper on public spending (Saint Augustine, it will be remembered, asked the Lord to make him virtuous, but not yet). That paper recognised that if resources were to be found to correct the balance of payments, the need for investment, with even a modest amount left over to motivate the workers who were to produce the goods, then the growth of public con-

sumption simply had to be checked. The adjustment, it was argued, could and should be delayed first, because cutting should not start in the trough of a recession and second (softly) because after 1977 the rise in oil tax revenue would ease the pain.

These arguments are sound as far as they go, but they do not go nearly far enough. Above all, they do not go far enough historically. The diagrams show very clearly that for more than a decade the growth of public expenditure has far out- paced that of the economy, and hogged most of the resources that growth has created; recently it has even been necessary to cut private consumption (and in a recession!) to make room for its unchecked growth.

However, foreign criticism—or at least, that part of it which has been voiced officially—has been centred on the borrowing requirement rather than on the level of spending (and has been met by measures which strive to cut the borrowing requirement in real spending); and here the historical pattern is very different. For while spending has been rising excessively, certainly since 1963, the explosive increase in the borrowing requirement has emerged only in the last three or four years. This difference is extremely important, for it suggests that while the level of spending is the result of long established political habits, the rise in the borrowing requirement (initiated during Mr. Heath's regime) has more recent and technical causes.

There are in fact three such causes. The first—much discussed in 1974, but now largely forgotten, is the rise in oil prices. The second, much dis-

cussed at the moment, is the depth of the present recession. The third, still only analysed in rather technical papers, is the recent rate of inflation. When OPEC first trebled the price of oil, it may be remembered, it was argued not only by Mr. Denis Healey, but by the OECD and even by Dr. Johannes Witterveen of the IMF that the consuming countries must be prepared to accept balance of payments deficits corresponding to the surpluses of the OPEC countries if they failed to make this adjustment. It would first be forced on them by an unexpectedly deep recession, and would later create an insurmountable deficit problem for the weakest economies in the world.

In the event, and in spite of the fact that the OPEC countries have spent more of their revenues than anyone anticipated, these warnings have been justified. The recession has been unexpectedly deep, and now that the OECD group as a whole has restored its balance of payments the oil consumers in the Third World are in a desperate financial plight. It can still therefore be argued that rich countries might appropriately run some deficit in their international payments—and a corresponding one in their public finances—in the cause of international balance; and Britain, for whom oil importing is only a temporary necessity, can especially easily afford to do this. Perhaps £1-£1.5bn. of the present borrowing requirement can be excused on this account.

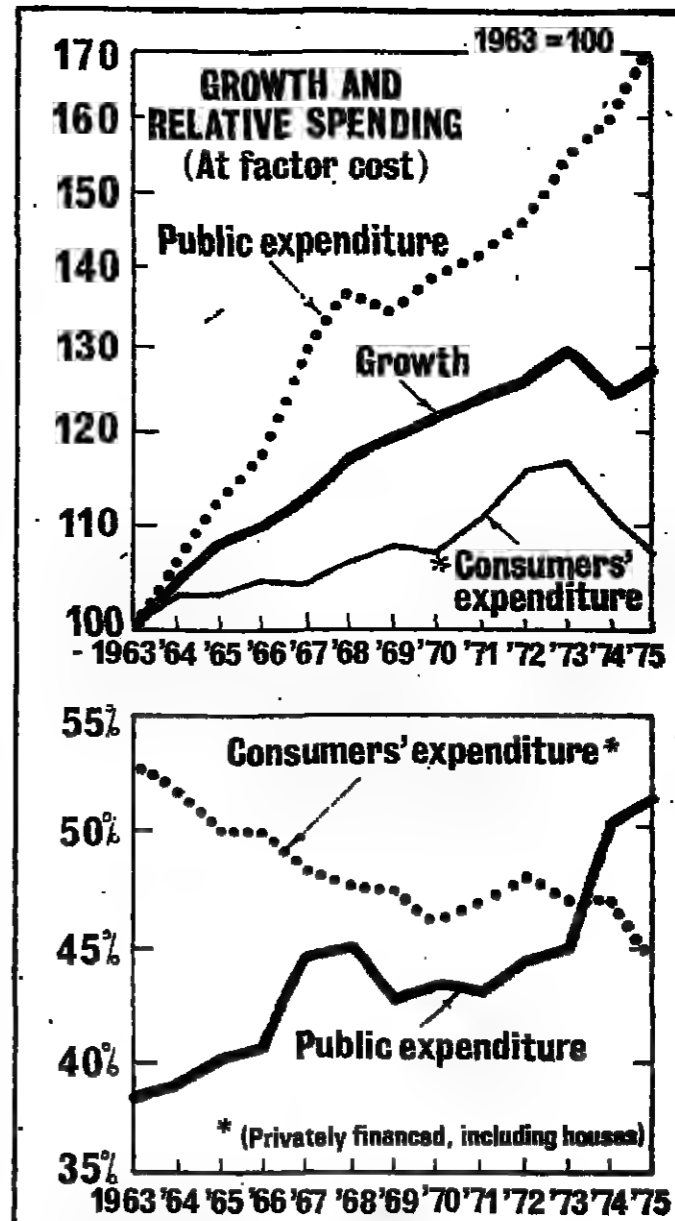
The full employment correction to the borrowing requirement, though a central feature of U.S. budgeting, is one which our own Treasury has always been very reluctant to make—partly for the good reason that

it is both technically difficult and controversial. However, last week the Chancellor did offer an estimate that between a quarter and a third of the present borrowing requirement would vanish if full employment could be restored, through reduced subsidies and higher revenues. This explains another £3-£4bn. of the present borrowing requirement—and the figure is one with which City analysts do not seem inclined to quarrel.

Debt interest is also a highly unpredictable sum, because of uncertainty about future inflation rates. The Treasury has admitted that its future estimates may be wildly out (and are probably too high); and here, as with saving, the danger is that the level of rates being paid on present borrowing could prove both highly expensive (as a proportion of GNP in money terms) and highly demand-stimulative should there be a reduction in the rate of inflation.

It is the existence of these risks associated with a reduced rate of inflation—the central aim of policy—which make it so hard to understand the continued refusal of the Treasury and the Bank of England, despite some internal pressure, to try methods of financing which would go far to eliminate them. Bonds bearing a floating rate of interest, or long bonds (preferably Consols) yielding a constant real income would in the first case reduce the cost of debt service if inflation declined, and in the second reduce it at once. They would stabilise the assets of savers, and assist funding and monetary control. The economic case for them has been argued by no less than Milton Friedman, high priest of the new monetary orthodoxy.

The arguments against these innovations seem to be compounded of funk and dishonesty—the fear that more attractive bonds would upset the gilt market (though it is now gilt brokers who are calling most persistently for innovation), the fear that foreign holders of existing stocks might want to convert into a more honest security (and why not—espe-



cially if the reward of honesty is a low coupon?) and the love of frightening spending departments with tales of an insupportable debt burden (when it is the real burden which threatens to become insupportable). But to be fair, it is perhaps because the authorities have the biggest potential threat in not yet fully analysed the causes of their present dilemma—that they are so unwilling to contemplate the most readily achievable cure. Yet it is this highly unstable area of inflation-induced deficit, untouched so far by the Chancellor's measures or even by the prescriptions of the International Monetary Fund, which are now because the authorities have not yet fully analysed the causes of their present dilemma—that they are so unwilling to

Letters to the Editor

sts in price controls

he President and his advisers are always willing to examine any ideas for improving the administration of the tax. Let him then consider the following, which would make major economies—

(i) Eliminate charging of VAT between registered businesses. (ii) Allow VAT return periods to coincide with financial accounting periods. (iii) Accept quarterly returns and claims/ payments "on account." (iv) Transfer administration of VAT from Customs and Excise to Inland Revenue. (v) Adjust quarterly VAT payments on account in the fourth quarter to total year's VAT due as audited year-end accounts.

The collection of direct and indirect tax would then be from one source. Irrespective of relative proportions, and use the same audit standards, and the undoubted expertise of our tax inspectors. The question as to whether any goods had been supplied to unregistered consumers without VAT charging VAT would be covered in the same way as for any wages paid without deduction of income tax or expenses not allowable for tax purposes.

Of course Inland Revenue departments would need to be expanded to cover this, but the staffs and offices required would be only a minute proportion of those at present used in separate VAT administration for all industries.

Banks' closed shop

From The General Secretary, Lloyds Bank Group Staff Association.

Sir—As the "staff association person" referred to in the letter from the general secretary of the National Union of Bank Employees (July 28), I would like to reply briefly even though discussions on merger talks between independent unions should really take place outside your columns.

The questions posed by Mr. Mills in his letter could be answered by reading the latest issue of his union's newspaper, NUBE News. A headline in the July issue reads "Union Gets Closed Shop First." The article goes on to say that NUBE has obtained a closed-shop agreement in the Co-operative Bank, the first to be signed in the industry of banking. I think the only inference one can arrive at from that headline is that this is a new agreement and that it is the first of many to come if NUBE has its way. Indeed, this is the view of NUBE members at the National Westminster Bank Cottetridge, and I quote from their letter published in the August issue of NUBE News "It is presumably your (that is NUBE's) intention to introduce a closed shop into every bank where NUBE membership exceeds other staff representation."

Already guilty

From Mr. A. Napier.

Sir—Your recent correspondence has missed the point. To make money is now an offence, strictly punished by a fine or a term of imprisonment. The most serious, most heavily punished offence is to make a profit (that is successful) investment. To fail to make money is correspondingly rewarded. It is exactly in line with this that Customs and Excise treats payers and potential payers of VAT exactly as if they were already guilty as of course, in VAT terms, they are. (Vat is a crime, I presume.) I expect Mr. Christie (July 22) will readily confirm the attitude.

Freedom of trade

From The Prospective Parliamentary Liberal Candidate for Levensham East.

Sir—Sir Fred Catherwood states (July 27) that "we opted a year ago for a free market" in the referendum on the European Community. Would that it were so!

In practice Britain has exchanged one form of protection for another. By our membership of the Common Market on the present terms we have given up our right to buy our essential food and raw materials at the lowest possible cost.

Revolution in reverse

From Mr. A. Thomson.

Sir—Technological advances, coupled with the development of modern mass production methods, have unquestionably transformed our standard of living (in the commonly accepted meaning of the term). Far from reducing the overall demand for labour, machines and automation led over a long period to the creation of new industries and new jobs. It has become increasingly evident, however, that sooner or later, as industry becomes more and more capital intensive and labour-saving, this process must go into reverse. Does it not seem more than probable that the industrial revolution, which has been gathering momentum for more than a century, is one reason for the present high level of unemployment in developed countries?

Freedom of trade

We are continually being urged by economists, politicians, trade union leaders and others that the remedy for Britain's present troubles must be sought by obtaining higher outputs from fewer workers, in order to increase profitability and pro-

duce more cheaply than other countries within the EEC range. The conventional wisdom is that economic salvation, higher employment and national prosperity can only be obtained by continuous expansion of the GNP. Yet it must surely be evident that the heavy demands already being made on the world's energy and raw materials of our planet, which are finite, that such a policy must eventually lead to disaster.

It is not high time that we abandoned our present economic shibboleths and went back to smaller and more labour intensive factories, as widely dispersed as possible? Apart from reducing unemployment, this would have the advantage of reversing the continuous flow of population to the cities and resurfacing the healthy village environment of past years. We should, of course, be priced out of world markets and should doubtless have to forgo many luxuries now commonly regarded as essential. But is there any other way of achieving real and lasting prosperity, not only in Britain but throughout the world?

Advertising's theme

From The Director-General, The Advertising Association.

Sir—May I make several points about Anthony Thorncroft's piece (July 22) on the Advertising Association conference? Was it really "disappointing" and if so to whom? Not I think to the 700-odd delegates (incidentally very considerably more than those attending the 1974 Brighton conference) who paid their registration fees in the full knowledge of what the programme held in store for them and who, ever since, have been flooding this office with requests for the speeches.

British Transport Docks Board

The decision taken many months ago to let the conference concentrate on advertising as a part of the fast diminishing process of individual and commercial freedoms and thus to examine it in a positive way in its social and economic context. There are plenty of other opportunities for advertising people to discuss the technicalities of their craft and, indeed, about 50 per cent of the conference was devoted to doing so. But in the final analysis, the best way to make advertising more cost-effective is to let it be seen and understood for the economic contribution it makes both to industry and to society. That is what the AA conference is all about.

To-day's Events

Electricity Council and Central Electricity Generating Board annual report.

Mr. John Methven, CBI director-general, speaks at his East Midlands Regional Council, Nottingham.

PARLIAMENTARY BUSINESS

House of Commons: Aircraft and Shipbuilding Industries Bill, completion of remaining stages.

Commons Select Committees: Race Relations and Immigration.

Subject: The West Indian Community. Witnesses: Guild of

British Newspaper Editors. Direct Elections to European Assembly.

House of Lords: Protection of Birds (Amendment) Bill, committee and remaining stages.

Education Bill, second reading.

OFFICIAL STATISTICS

Bricks and cement production (June).

COMPANY RESULTS

Allied Textile Companies (half-year). Barclays Bank (half-year). Borealis Bank (half-year). Fitch Lovell (full-year). Inchcape (full-year). Magnet and Southern (full-year). Reed International (full-year).

Witnesses: Guild of

(first quarter). Swan Hunter Group (full-year).

COMPANY MEETINGS

See Page 19

OPERA

London Opera Centre production of The School for Fathers, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

English Chamber Orchestra, conductor Mark Elder, plays music by Stravinsky, Mozart and Britten, Royal Albert Hall, S.W.7, 7.30 p.m.

British Transport Docks Board half year results

INCREASES IN TRAFFIC AND PROFITS

"The Docks Board, like other Port Authorities, have to cope with the continued recession in world trade. Our results for the first half of 1976 are therefore all the more heartening. In a highly competitive industry we are increasing our share of the market."

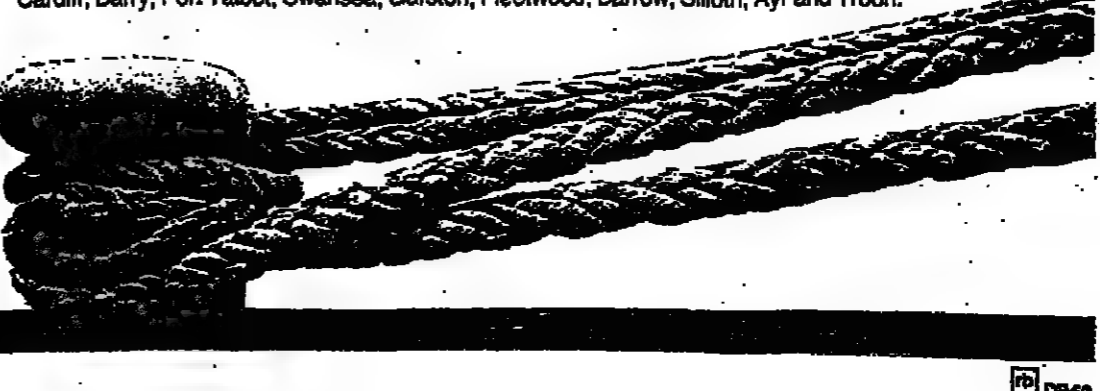
Sir Humphrey Browne
Chairman

	Half year to 30th June - unaudited 1976 £ million	1975 £ million	Year 1975 £ million
Profit before interest	10.5	5.5	12.5
Net profit after replacement cost depreciation based on movement in Retail Price Index before tax	4.5	NIL	1.4
Return on capital	13.0%	7.0%	8.0%
Total traffic	million tonnes 43.2	million tonnes 40.4	million tonnes 77.3
of which, container/roll-on/roll-off traffic	thousand freight units 438	thousand freight units 386	thousand freight units 774

The British Transport Docks Board is almost unique amongst state undertakings and port authorities in making full provision for additional depreciation on a replacement cost basis calculated in accordance with the Retail Price Index.

British Transport Docks Board profitably serving the nation

Hull, Goole, Grimsby, Immingham, King's Lynn, Lowestoft, Southampton, Plymouth, Newport, Cardiff, Barry, Port Talbot, Swansea, Garston, Fleetwood, Barrow, Silloth, Ayr and Troon.



COMPANY NEWS + COMMENT

Laurence Scott surges to £1.72m.

ADDING A further £0.66m. in the last 3 months, electrical and control gear manufacturers, Laurence Scott announces pre-tax profits of £1.72m. for the 15 months to March 31, 1977. For the first 12 months the figure was £1.06m. against only £52,347 for 1976 and £1,200m. for 1974.

Earnings per 25p share for the 15 months are 11.24p against a loss of 0.61p for 1974 and as forecast the final dividend is 0.7p net, lifting the total payment from 2.5p to 3.4p.

The directors say that the balance sheet will show a £1.6m. improvement in liquidity fully reversing the deterioration of the previous year.

comment

Laurence Scott's recovery from its 1974 depression really took off in the last nine months of the 1975-76 accounting period when the group finally eliminated the last of its loss-making contracts. On an annualised basis profits were up by more than 11.34p a share, and the share price rose 3p on the results to 47p. New contracts from the heavy engineering sector have recently become rather scarce but this is unlikely to have too much effect on current year profits especially with the switchgear side still enjoying a very high level of activity. The group takes profits only on completion of contracts and is confident of achieving a further increase in 1977-78. The shares backed up by a yield of 9 per cent, covered 3.5 times, could still have some way to go.

London and Lomond Investment

For the first half of 1976, on gross revenue up from £453,211 to £521,650, net revenue of London and Lomond Investment Trust increased from £191,232 to £216,647. Tax charged was £130,851, compared with £116,181.

Earnings per 35p unit are shown to have risen from 1.01p to 1.13p.

INDEX TO COMPANY HIGHLIGHTS					
COMPANY	Page	Col.	COMPANY	Page	Col.
Anglo-Indonesian Plants	19	5	Glass and Metal	19	5
Associated Sprayers	14	6	Glenlivet Distillers	18	2
Beecham	20	4	Hollis ESA	18	4
Blackman and Conrad	18	6	Investment and Property	18	4
Bonass Webb	18	3	Laurence Scott	18	1
Boulton and Paul	19	6	LRC International	19	1
Brady Industries	18	6	Manchester Garages	19	3
Bridgend Investments	20	4	Mann and Overton	20	4
Brown Boveri Kent	19	4	Meldrum Investment	19	3
De La Rue	19	4	NCR	19	3
Eastern Produce	19	5	Plastic Constructions	20	5
Executive Clothes	19	2	Smith (Whitworth)	18	8
Friends Provident	19	3	To-day's co. meetings	19	4
Gillett Bros. Discount	18	3	Winding-up orders	20	4

and, as known, the interim dividend is held at 0.7p net at a cost of £152,000—last year's final was £150.

Total assets, less current liabilities at market value including full dollar premium of 45p per cent. (12p per cent.) where applicable, on June 30 were £154,000. Net asset value per stock unit after deducting prior charges at par was 73p (70p).

Glenlivet Distillers progress

TURNOVER of Glenlivet Distillers, including duty, for the 24 weeks to June 18, 1976 totalled £7,83m. compared with £6.01m. for the first 25 weeks of the previous year. After imputed interest of £92,000 the profit before tax rose from £0.58m. to £1.15m.

The directors say that business continues to be better than anticipated and 1976 profits will be greater than last year's £2.10m. unless something very untoward happens.

The interim dividend is increased from 1.7p to 1.87p per 25p share, coating £148,000 (£131,000)—last year's final was £190,120.

Tax for the first 24 weeks takes £598,000 (£447,000) leaving the

net balance up from £413,000 to £530,000.

Concentration on an overseas sales effort has enabled Glenlivet Distillers to show a 39 per cent. increase in pre-tax profits (figures adjusted to 24-week basis). Although whisky exports generally fell 4 per cent. in the first five months, Glenlivet bucked the trend and exported 38 per cent. more. Customers, buying ahead of price rises helped the sales effort and new export markets (unannounced) have been opened up. Forecasts of a short-fall of supply of malt whisky in the early 1980s augur well for the company but the shares are hardly cheap at 190p (up 5p to a high for the year) where they have a maximum yield of only 2.2 per cent. Sanitary and Conware continue to hold their stakes of 11 per cent. and 27 per cent. respectively.

Gillett Discount downturn

FIRST HALF group profits of Gillett Brothers Discount Company are lower than those for the corresponding period last year, and have been affected by a rise in minimum tendering rate of 21 per cent. during April and May, albeit on a small book with a short average life, and by reduced margins in June and July, the directors stated.

Profits are expected to run at this lower level unless margins improve or interest rates begin to fall, they add.

An unchanged interim dividend of 4.875p per £1 share is declared. Last year's total was 5p from profits of £390,461 after transfer to contingencies.

Statement Page 19

Bonass Webb in profit

Pre-tax profits of £148,229 are reported by Bonass Webb for 1975, compared with a loss of £74,231 previously.

Exports and turnover are ahead, but there is still no sign of an improvement in textile trading conditions. The U.K. directors say, however, they are encouraged by the benefits being

felt from the Stroud Riley acquisition.

1975 1974

Turnover	2,577,212	2,121,427
Profit	148,229	1,478
Profit before tax	148,229	1,478
Taxation	22,232	25,640
Profit after tax	126,000	17,838
Pre-tax profits & losses attributable	126,000	17,838
Dividend	1,478	1,478

The dividend is again a single final of 0.5p net.

Hollis ESA second-half pick-up

AFTER FALLING £200,000 to £87,000 at halfway, pre-tax profit of Hollis ESA & E.S.A. recovered in the second half and finished the year to March 31, 1976 ahead from £88,082 to £239,438. This partly reflects a fall in interest payable from £1.1m. to £0.55m.

At halfway the directors said that it was difficult to predict the future but second half trading had been on a satisfactory footing.

The dividend total per 35p share is lifted from 3.31075p to 3.812425p with a final of 2.502425p.

Tax for the year takes £494,933 against £238,045 leaving the net balance in front from £570,047 to £484,338.

The directors say that stocks have been reduced and this with new purchases provides a satisfactory base for current trading, which to date is reflected in the 1976-77 accounts.

1975-76 1974-75

Turnover	£1,248,211	£1,237,632
Trading profit	£47,702	£1,009,225
Interest payable	£1,100,000	£1,000,000
Taxation	£49,933	£28,843
Net profit	£47,702	£1,009,225
Special dividend	£49,933	£28,843
Preference dividend	£49,933	£28,843
Ordinary dividend	£49,933	£28,843
Final	£49,933	£28,843
Retained	£49,933	£28,843

The company operates as timber importers, sawmillers, flooring contractors, woodwork manufacturers and educational equipment makers.

comment

The 55 per cent. rise in Hollis Brothers' 1975-76 profits represents a strong recovery from the setback which occurred in the second half of the previous year. Profits in the first half were significantly lower than those of the first six months, but this appears to owe something to a shortage of stock after a trimming exercise in the first half of 1975. Figures are being consolidated in the accounts for 1975 in respect of the Angolan operation, it is stated.

The group's profits, after tax, include £263,000 (£130,000) attributable to the principle South African subsidiary sold during the year.

Net asset value per share, based on market values at December 31, was 54p (68p).

Walter Duncan and Goodrick have a substantial interest in the company.

Liquidation for IPH

Investment and Property Holdings, the international property group, run by ex-Bovis man Mr. Barry Abbott, is to go into voluntary liquidation "as soon as possible" following a meeting of principal creditors.

A brief statement from the company, whose shares were suspended on July 16, said a Board Meeting had resolved that the company should cease trading immediately. Mr. Abbott was not available for further comment last night.

Nearly three-quarters of the company's investment portfolio is represented by City of London property, valued at £1.1m. with other major developments in Holland, France and Germany.

The main IPH shareholders, apart from Mr. Abbott, are Grindlay-Brown Bank, which holds 21 per cent. stake and the National Coal Pension Funds, which has 19.3 per cent.

IPH has been highly geared, with the last balance sheet showing property assets of £2.2m. and net borrowings of £2.5m., most of it short-term. Losses were £1.45m.

In the last annual statement, Mr. Abbott said the Board was constantly aware of the group's high borrowing position. Profits were in train from forward sales powers are likely to be increased to a point where sufficient profits would be generated to cover high interest costs during the current year.

ANGLIA BLDG. SOCIETY

Anglia Building Society reports an increase in assets of 22.4 per cent., or just over £100m. in the 12 months to end June, 1976.

Haslemere rental growth

NET RENTAL revenue of Haslemere Estates is expected to exceed £8.5m. in the current year against £8,045,000 for 1975-76 which itself was an increase of over 30 per cent. on the previous year.

The chairman, Mr. F. E. Cleary, states in his annual report that the decline of rental levels in the City and West End where most of the company's offices are situated has not reduced and rental levels in these areas are stabilising at a new base from which they will inevitably rise.

Having established a very satisfactory level of rental income it now the intention to increase this level still further, firstly by taking advantage of the rent reviews in numerous leases, secondly by letting properties in the course of development and finally by the acquisition of new projects capable of producing a good and secure income, says the chairman.

In view of the company's strong position the Board feels that it would be advantageous to substantially reduce the trading operations and at the same time to hold an increased number of properties for investment purposes.

For the year ended March 31, 1976, profits before tax were £4.4m. compared with £2.4m. previously.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. of payment	Total for year	Total for year
Albion	0.51	Sept. 27	1.25(c)	0.51	2.07
Blackman & Conrad	1.38	Sept. 27	1.25(c)	1.38	3.18(c)
Bonass Webb	0.5	Oct. 1	0.5	0.5	3.2
Brady Inds.	0.21	Oct. 1	2.45	0.21	5.06
Crossways Trust	1.83	Sept. 30	2.4	1.83	2.4
Gen. Stockholders	1.3	—	1.3	1.3	1.3
Gillett Bros.	4.88	Aug. 27	4.88	4.88	13.8
Glenlivet Distillers	1.87	Dec. 1	1.7	1.87	2.4
Hambro Trust	1.05	—	1.1	1.05	1.26
Hollis ESA & E.S.A.	2.65	Sept. 14	2.45	2.65	2.2
Laurence Scott	0.7	Oct. 1	1.3	0.7	3.47(b)
LRC Intl.	2.04	Oct. 1	1.15	2.04	2.8
Manchester Garages	0.35	Aug. 27	0.3	0.35	0.8
Mann and Overton	1.03	Oct. 1	0.94	1.03	2.11
Mistle "Const."	1.23(a)	Sept. 16	1	1.23	3.86
Wm. Somerville	0.3	—	1.96	0.3	2.26

Dividends shown per share net except where otherwise stated. (a) Equivalent after allowing for scrip issues. (b) On capital increased by rights and/or acquisition issues. (c) Equivalent after capital reorganisation.

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Mortgage lending rose by 23.7 per cent. to £39.4m. for the first half of 1976, and investors' net receipts advanced by 18.5 per cent. to £37.2m.

Mr. Peter Wilkinson, chief executive, states that just under half of all mortgage lending (46.2 per cent.) has been to first-time purchasers.

The society has budgeted to lend at least the same amount in the second half of the year, he tells members. The very high level of liquidity will enable it to achieve this with ease.

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ISSUE NEWS AND COMMENT

Re-listing for Christy Bros.

Shares in Christy Bros., the animal feed processing plant and electrical engineering company, are to return to the market tomorrow after being suspended almost two years ago at the request of the directors. The former ordinary shares were last quoted at 800p prior to suspension but return in the form of 25s shares after sub-division of the stock last December.

The shares were suspended pending proposals for a major acquisition which was in the event abandoned. Mention of the shares has been concentrated on extensive reorganisation including the shedding of interests not related directly to the group's principal trading business.

In returning to its original form, the group has divested itself of all interests in financial services which were unsuccessfully introduced at the time of the 1973 acquisition of Burne Investments. Management which has since terminated operations, Christy has also shed two former loss-makers, Christy Refrigeration and the contracting division of Christy Electrical. Without these subsidiaries, the financial year until March 31 the remaining concerns will continue to trade (Christy and Norris mechanical engineers and Christy Electrical) achieved a pre-tax profit of £35,000 on a turnover of £2.8m. for mechanical engineering sales and £708,000 from electrical engineering.

Extraordinary dividends are given a credit of £450,000 comprising a transfer from the share premium account, a loss on the sale of Financial Services subsidiaries, and the winding back of a deferred tax no longer required. In the balance sheet the net bank overdraft of £870,000

following the big 1975-76. Mr. Cecil Baker, of the trust fund, said that over the past 20 years, of good to increased at an annual rate of 10 per cent. and would be higher on a basis of direct investment. The balance has been 1

1976. Turnover improved from £2.36m. to £2.81m.

Again no interim dividend is being declared—1974-75 Ordinary dividends were omitted when the group incurred a pre-tax loss of £141,630.

The first half profit is struck before a tax charge of £30,000 (nil).

The directors are confident that the improving trend will continue during the second half.

In the light of trading conditions and with excessive stocks in the distribution chain, the Board decided it was necessary to re-establish strength in the market and, accordingly, a considerable investment in advertising and promotion activity has been committed for the latter part of the year.

No far, this has worked successfully and, although not wholly beneficial in the present year, it is confidently expected it will be to advantage next year.

AGRICULTURAL UNIT TRUST

A new Pension Fund Agricultural Unit Trust has been launched by the Agricultural Unit Trusts group to enable pension funds to invest in agricultural land without the problems of acquisition and management.

The group already manages other property funds which have agricultural interests but this is the first fund to specialise in the area. Many pension funds have been showing interest in agriculture recently now that agricultural values have recovered

As already reported for the year to 1976, totalled £52,237

FAIREY

As from August 1, Registrars has been registrars of Fairey C

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INTERIM STATEMENTS

MANCHESTER GARAGES LTD.

(Ford Main Dealers)

INTERIM REPORT

RECORD SALES AND TRADING PROFIT

	1976	1975	1975
Six months to Six months to			
30th June	30th June	30th June	31st Dec
(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Group sales	4,954,189	4,163,205	8,029,670
Group trading profit	173,647	111,014	236,050
(before interest)			
Group net profit	139,352	78,493	168,893
(before tax)			
Dividend Ordinary	0.35p	0.30p	0.60p

Interim dividends will be paid on 27th August, 1976, to ordinary shareholders on the Company's Register at the close of business on 2nd August, 1976.

R. A. Stoodley,
Chairman and Managing Director.

Fodens Limited

Statement by the Chairman, Mr. L.J. Tolley, C.B.E.

Results for the year

The final results for the year are somewhat better than anticipated at the half way stage. With the interim statement, we indicated that no significant improvement could be expected until after the hoped for upturn in demand in Spring, 1976. In the event, demand started to return in January, 1976. Quotations and deliveries responded accordingly with the result that the final quarter of the year helped to reduce the year's expected loss.

On a turnover of £28,615,000 we still finished with a loss of £1,010,898, but the trend is encouraging.

Dividend

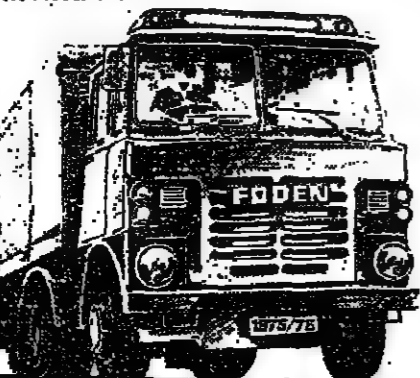
It is obviously not possible to pay normal dividends on the ordinary shares at this time. The Directors can therefore only recommend a nominal ordinary dividend but in appreciation of our shareholders' support during our difficulties they are recommending that last year's small amount should be doubled to 0.65p net, per ordinary share. The Directors have declared that the promised dividend of £5.50 net per cent on the Preference Shares shall be paid in accordance with the terms approved by the shareholders in August, 1975.

I am happy to be able to state on behalf of the Board that our financial resources continue on expected lines, and there are no serious national economic setbacks, we shall hopefully be returning to more normal ordinary dividends next year.

Current position

The Company is now operating profitably and we expect the rate of profit to increase steadily for the remainder of the year.

Demand and order books are good and output is gradually increasing to match demand within the limits of our financial resources. New and improved vehicles are now being delivered. Our new export range is about to be introduced and military vehicles are being delivered at increasing rates now we are receiving previously delayed sub-contracted supplies. We have great hopes for our new bus chassis, the prototypes of which are being well received.



Fodens Limited, Elworth Works, Sandbach, Cheshire CW11 9HZ
Phone: Sandbach 3244 (16 lines) Telex: 36163
London Sales Office: 10 Hanover Street, London, W1 Phone: 01-499 5832

FODEN
the truckmakers

HASLEMERE ESTATES

A RECORD YEAR

- Net Rental Income up 31% to £6.04 million
- Net Rental Income exceeds all charges by £874,000
- Dividend for 1975/6 will be maximum permitted
- Borrowings as percentage of assets: 47%

Chairman: Mr. F. E. Cleary, MBE, FRICS, 4 Carlos Place, London W1Y 5AE

RETURN TO PROFITABILITY

First Dividend of 1p per share

TURNOVER UP
21%
TO £55m

EXPORTS UP
28%
TO £15.2m

PRE-TAX
PROFITS UP
150%
TO £2.5m

ATTRIBUTABLE
EARNINGS
(after extraordinary items)
£1.15m
(loss in 1975 - £774,000)

The Annual Statement by Mr. John Vaughan, Chairman of Brown Boveri Kent, covers the first full year since the merger between George Kent and Brown Boveri. It records a return to profitability and a dividend of 1p per share, the first dividend the shareholders of the former George Kent Group have received for 3 years.

There have been major improvements in manufacturing facilities, particularly the new factory at St. Neots. Early in 1976 the Company raised a further £2m of share capital and arranged a £3m medium term loan, greatly strengthening its financial resources, which will enable it to continue its programme of investment and improvements to facilities.

Progress has been made towards introducing Kent instrumentation into projects handled by Brown Boveri and the first orders secured.

The Chairman says "in the next few years the company faces major challenges, both in developing new products and in improving the efficiency of production."

"The current year, which will be a nine month period ending December 31st 1976, has started with a healthy backlog of orders, but not as widely spread as we would wish."

He thanks all employees for their great efforts and loyalty during a strenuous and demanding year.

BROWN BOVERI KENT

Parent Company of the George Kent Group

International process control instrumentation and metering

Biscot Road, Luton, Bedfordshire, LU31AL



Strength in Foreign Markets Key to Success

	1976	1975
Group Turnover	£25,117,000	£19,785,000
Exports from U.K.	£10,867,000	£8,893,000
Profit before taxation	£7,266,000	£6,171,000
Earnings per share	40.8p	33.9p

Highlights from the annual statement of the Chairman, Mr. Richard Dunhill:

- * Turnover increased by 27%
- * Pre-tax profits increased by 18%
- * Trade with overseas customers now 85% of total
- * Lane and Charatan tobacco and pipe businesses in U.S.A. and U.K. acquired.
- * U.K. control and high taxation of salaries damaging to long term development.
- * Continuing action to strengthen group management resources.

The Annual General Meeting was held on 28th July 1976.

ALFRED DUNHILL LTD.

30 DUKE STREET • SAINT JAMES'S • LONDON SW1Y 6DL



Beecham cautious on growth rate

A CAUTION that last year's profit increase of 47 per cent. before tax had been exceptional was sounded at yesterday's annual meeting of Beecham, the pharmaceuticals and consumer products group, by the chairman, Mr. Graham Wilkins.

It goes without saying that no company of our size is likely to raise its profits by more than 40 per cent. a year on a regular basis," he told shareholders. "In other words, last year we enjoyed a huge surge which took us above our long-run trend, just as in the previous year the downturn in the U.K. took us below our long-run trend. What matters, of course, is the long-run trend itself."

Noting that the group's U.K. businesses had recovered extremely well in 1975-76, he said they still had problems. "In the long run, the case as long as the system of price controls in this country is based more on political expediency than on economic requirements. But at least we again started to move in the right direction in the U.K."

Mr. Wilkins hit out strongly at the argument that it would be unfair to leave dividends alone when incomes are under restraint. He said that from March 1974, to March 1976, the cost of wages, salaries and other employee benefits to the company (half of whose employees are outside the U.K. and so mostly unaffected by controls) increased by 81.7 per cent. Over the same period, however, dividend payments rose only 18.7 per cent.

Several other annual meetings were held yesterday. The following are extracts from the chairman's statements.

British and Commonwealth Shipping—Sir W. Nicholas Cayzer said indications were that results for 1976 would show an improvement over 1975. "But in a fast-changing world based on the best information available could be subject to pretty dramatic change."

He described the Castle Holidays subsidiary as "a constant source of worry." With a falling pound, the uncertainty of employment, excellent weather in Britain, and political disturbances in Spain, results could not be other than bad.

Ferranti—the group was trading profitably in the current year, said the managing director, Mr. Derek Allen-Jones. In 1975-76, the company recovered to a profit of £4m. (loss £68,000).

Talks between Ferranti and Plessey on whether to merge their microelectronics interests were still continuing. The

National Enterprise Board and the Department of Industry were involved in the negotiations. Government Finance of £10m. could be involved in any resultant deal.

Brunning Group—Trading figures for the first quarter showed a very satisfactory increase in profit over the comparable period of 1975-76, Mr. Geoffrey Brunning reported.

Mr. Brunning said that trading results for the first quarter were comfortably ahead of the corresponding period of 1975-76. Although not included in group profits he mentioned that trading results in Brazil had shown a quite dramatic improvement.

Cope Sportswear—Mr. S. Cope was able to report favourably on the first half, as the company had operated at higher levels in both sales and profits.

The directors had been giving a great deal of thought to future activities and had decided to expand the manufacturing facilities; that would involve three-year development plan. With the introduction of new plant and machinery they were confident that group products would compete favourably with many of the items currently being imported from low cost countries and the ability to deliver quickly would attract home buyers.

Dorman-Smith Holdings—Mr. T. G. Atherton said the business conditions in the company's sector of industry remained very difficult. However, orders received during the first quarter were up by 8.5 per cent on the same period last year, though despatches were down by 5.5 per cent. over the same period.

After 10 years of uninterrupted progress, it was almost inevitable that the current year would be one of consolidation of productivity, capacity and organisation.

Estates and General Investments—Mr. J. K. Laurence said the auditors' qualification in the accounts had now been removed. This followed the purchase by the company of the contents of the Victoria Hotel, which the company had been running since the liquidation of Runnells Properties.

The value of EGI's security assets of £700,000 was involved. Auditors' Touches have agreed that if the purchase had taken place before the accounts were signed no qualification would have been necessary.

Estates and General Investments—Mr. J. K. Laurence said the auditors' qualification in the accounts had now been removed. This followed the purchase by the company of the contents of the Victoria Hotel, which the company had been running since the liquidation of Runnells Properties.

Bridgend incurs £0.28m. loss for 18 months

FOR THE 18 months ended December 31, 1975, Bridgend Investments incurred a pre-tax loss of £281,044 compared with profits of £26,590 in the year to June 30, 1974.

Basic loss per 5p share before extraordinary items is 1.54p (0.06p earnings) and 6.57p (0.12p) after extraordinary items. There is no dividend in the 18 months to June 30, 1975; dividends totalled 0.28p.

The chairman, Mr. R. Hamilton-Peters, says in his statement: "The Board has completed various measures designed to eliminate once and for all the uncertainties affecting the group's affairs and arising out of transactions entered into in many years ago."

The main business of the group is the development and exploitation of certain unique processes relating to the use of plastics around structural reinforcements, and significant income is now beginning to flow as shown in the accounts. For the future, the level of profit will be closely related to the success in widening the commercial use of the proprietary processes. With foreseeable ex-

penditure already matched by assured income from the earliest licences, additional future expenditure will be necessary, but only have a marked impact on profits.

The Board expects shortly to be able to announce a successful outcome of negotiations relating to both the group's main processes. The group has been transformed from a general investment holding company, with a chequered past, into a company with a specifically defined business, concerned with high technology and the development, licensing and operation of new processes.

To complete the transition and to recognise the group's clear leadership in the central area of activity, it is proposed to change the name to Bridgend Processes.

	18 months ended Dec 31, 1975	Year ended June 30, 1974
Turnover	£21,134	£10,796
Expenses	£22,337	£4,861
Assoc. loss	£14,708	£25,549
Loss	£15,911	£25,549
Tax	£5,010	£3,881
Extraord. debit	£88,116	£6,120
Minorities	£23	£23
Attrib. loss	£1,207,007	£2,265
Included £284,340 (1975) income from technological processes.		

Mann & Overton

LONDON TAXICAB specialists and motor engineers, Mann & Overton, report an expansion in taxable profit from £274,000 to £385,000 for the six months to April 30, 1976. And the directors say that with the larger demand for taxis being maintained they expect results for the full year to show a significant advance on last year's £351,268.

The interim dividend per 25p share is stepped up from 0.94p to 1.03p net. The total payment for last year was 3.11p. Turnover for the first half amounted to £3,085m (£2,132m). Tax took £207,000 (£145,000) leaving the net balance up from £131,000 to £191,000.

Orders for the compulsory winding up of 53 companies have been made by Mr. Justice Oliver in the High Court. They were: Seconda Reengineering Services, Arram Electronics, All Kinds, Codden, S. Jones (Coals), Transmut, B. and H. Factors, Lincocks.

P. and P. Shade Manufacturing Co., Keyes of Walton, C.W.T. and F. Properties, Herford Properties, Govin Managers, Nuttal-Wray Manufacturing Company, Dea Broadhurst (Car and Commercial Sales), Stradally Contractors, Timexpress, S. J. Mitchell, T.C. Display Services (Melbourn), Ideal Ropes, P. and R. Roberts (Holdings), Hall Brothers (Shipping), Match Insurance Brokers, Greenscourt Construction.

Harwood, A. and P. Jarvis, P. T. Barnard and Associates, Clancoll, Clodder, L.F.S. Lee's Transport, Prescott Homes, John Street (Manufacturers), Forewent Light Construction, P. Edward Reynolds and Son, O'Connor and Davies, Everbrite Fabrications, Davage Properties, Bestrafarm.

Track Star Promotions, V.G.D. (Builders and Contractors), Pearlvar, Anchor Roofing, Barworth, Padrono.

Highway Maintenance (1927), Vostler, Kingston Heating Company, Avondale Properties (Luton), Pamohan, Bath Lane Motors.

Motron Engineering Supplies, G. P. Corbett, T. J. O'Sullivan, Son (Oxford), S.C.A. (Freight), and R. Leone (Surrey).

Constables (G.B.)—An order for the compulsory winding-up of Constables (G.B.), made on July 12, has been rescinded and a petition dismissed by consent.

Capital Annuities—A petition by Capital Annuities to wind up the company for which the Official Receiver has already been appointed voluntary liquidator, was adjourned until October 4, because the Policy Holders Protection Board wished for further time to consider the case.

THE BRITISH & COMMONWEALTH SHIPPING COMPANY LIMITED



Tendimus*

Sir W. Nicholas Cayzer Bt. brings up to date his published report

At the Annual General Meeting held on July 28th the Chairman Sir W. Nicholas Cayzer Bt. said:

In my statement which accompanied the Accounts I advised that I would up-date my remarks at this meeting.

While inevitably there will be a degree of overlapping, I think it may be convenient if I divide my comments into three main sections, namely, the financial and trading position of the Group; the internal and external pressures which have a bearing not only on our immediate situation but on our future planning and, in the light of the above, to outline, in the broad, a strategy for the future.

I do not propose to deal in detail with each item in our balance sheet, but I would wish to draw your attention to certain aspects which, on a cursory examination, may create a wrong impression. Fashions change, but there was a period not very long ago when it was considered to be the sign of a decadent organisation if significant gearing was not a factor of financial policy. We have borrowed and will continue to borrow in loan terms are attractive and if it appears in relation to foreign borrowings, that either we hold assets which are likely to maintain their value and are realisable in foreign currency or that earnings are in the appropriate currency or are related to that currency. At the same time, rather like a bank, insurance company or building society, we consider that it is necessary to maintain a reasonable degree of liquidity so that, in the event of unforeseen circumstances, the part will not bring down the whole.

In the Directors' Report, it is stated that in their view the Group properties have a market value significantly in excess of book value and I have stated that we consider the book value of the fleet to be realistic. The other fixed assets are aircraft and plant and equipment. As the aircraft relate almost wholly to the successful helicopter operations, and as the value of plant and equipment is not large in relation to the scope of the activities, I have no reason to believe that the book value attributable to fixed assets is an overstatement of their worth.

Thus, I am satisfied that we have a sound balance sheet position and now turn to the profit arising from the utilisation of the assets.

Leisure Industry

It is the responsibility of your Board to turn these assets to good account and here I think it is important to recognise the fallibility of human judgement and the fairly marginal differences which cause success or failure, not least of which is an element of luck. When we became involved in helicopter operations the situation looked promising, but we could not be aware of the extent to which helicopters would be used in the development of mineral resources world-wide and in the North Sea in particular. That was a plus. On the other hand, the large increase in oil prices which made oil exploration more attractive, has contributed to our failure to produce satisfactory results from our venture into the leisure industry in the shape of Castle Holidays and the hotels in the Canary Islands. Not only have increased oil prices resulted in higher flying costs, but have been one factor in worsening our balance of payments position with a consequent effect on the value of the pound. Package holidays abroad are no longer cheap, particularly to the more distant locations, such as the Canary Islands.

Castle Holidays has been a constant source of worry. Excess capacity in 1973 and 1974 caused the demise of well-established operators such as Horizon Holidays and contributed to the downfall of Court Line which had a considerable effect on our own operation. In 1975 we began to show an improvement, which was encouraging. Owing to the time-lag between setting up an operation and its fulfilment we had to decide in 1975 either to cut down substantially on the size of the operation or to allow a modest enlargement of our programme. It was decided to adopt the latter course. A falling value for the pound, the uncertainty of employment, excellent weather at home and political disturbances in Spain, which meant the decision will not be justified and the results cannot be other than bad.

Our hotels, other than Mount Nelson which continues to trade satisfactorily, show little improvement from the very poor performance in 1975. We have given notice of termination of the lease of one hotel in Tenerife where the rental payable is out of proportion to present potential profitability. Of the remaining two, a mixed freehold/leasehold in Las Palmas and a freehold in Lanzarote, the latter is the better prospect, but we shall have to spare no effort in seeking to improve the level of occupancy.

By way of illustration, I have singled out two trading activities, one plus and one minus, for it, as a large Group, we are not to stagnate there will be pluses and minuses. The measure of our success will be determined by the excess of pluses over minuses, our ability to spot and support the winners and discard the losers before they do any serious harm.

Shipping—In regard to the shipping scene, you will be aware that the bulkier trade, although showing some improvement, is still in the doldrums. The liner trades are holding their own, though import controls, announced last week by the South African Government, are bound to have an effect on carryings to that country.

Overall, our present estimates indicate that the results for 1976 will show an improvement over those of 1975, but I must remind you that we live in a fast changing world and that budgets based on the best information available can be subject to pretty dramatic change. In presenting this picture I would wish to give due credit to some of the smaller group operations which, in terms of size, do not warrant separate mention but which, year by year, make a very useful contribution to profits.

Whatever profits we achieve we are not either at home or abroad, masters of our own destiny. A simple illustration of this is the intrusion of

Russian tonnage into our liner trades. As I stated last year, normal criteria do not apply to the operation of such ships; the intent is the earning of foreign currency and a weakening of the West. This is a very real threat and may require intervention at Government level, but an interesting aside, when one hears so much about the merits of communism, is to know that the Russian seafarer is paid much less than his British counterpart—so much for communism.

Government Policies

World trade is, of course, the foundation of our national existence and there are signs that it is picking up. This country is not self-sufficient. We are dependent on our trade with the rest of the world and, being so, must recognise that other nations do not consider that they owe us a living. We must make our own way and we will do so only if we become and remain competitive. I am concerned about the irrelevance of rushing measures through Parliament if needs be by the use of the guillotine, which looked at objectively can do little to improve our trading position. Will it really help if shipbuilding yards are nationalised? Is it really essential that certain areas around the docks should become the reserve or preserve of a certain section of our society and is going comprehensive panacea for all our educational ills?

Some years ago I referred to the growing power of the Unions and expressed the hope that it would be used wisely. There is no doubt that they have used their bargaining power with considerable effect, but the acceptance of an incomes policy indicates belatedly a realisation that going too far and too fast was creating a situation where the benefits obtained were likely to be almost instantly eroded by inflation. There is only one cake available for division and it is useless for the National Executive Committee of the Labour Party to propose a programme for Britain involving an additional Government commitment of £3 billion without realising that wealth has to be created before it is available for use, however desirable the project. It is beyond us to concentrate for the time being on the size of the cake rather than its division?

Part of the same story can be recognised in the growing number of people who are paid by the State or, if not directly employed by the State, look to it to provide the wherewithal for a standard of living. I draw your attention to the latest proposal of the Home Policy Committee of the Labour Party—no cuts in spending and the nationalisation of the four large banks and the seven largest insurance companies. If this ideology goes unchecked we shall be heading rapidly towards a form of corporate state which would limit severely the freedom of the individual and restrict our chances of recovery. We must recognise that this, or worse, is the design of a hard-working, honest majority, both inside and outside Parliament and the Unions, and that such activities have disruptive power far beyond their numbers.

The recent intimation of cuts in public expenditure is a hopeful sign that at least some of our political masters are beginning to see the light, though I am very unhappy about the further impact on industry of the increase in the employer's national insurance contribution. There are certain things which the State has to do, and probably has to do, but if we are to survive as a democracy there should be a large area where initiative and enterprise have a real opportunity to grow. After all, it was the private individual who saved us most of the empires that we now enjoy and socialist policies have only been possible because of free enterprise. To achieve a proper balance there must be a true belief in the mixed economy and a deacidification of dogma. A Group such as ours must be encouraged to practice good husbandry, to conserve its seed, and within its resources to experiment with the development of new seeds and new technologies. Only a stupid farmer, having established a sound base by his previous efforts, would risk more than a sensible proportion of his assets in a single new venture, however encouraging the prospects.

Future Prospects

It is against this background that your Board has to develop a broad strategy for the future. We are still heavily involved in shipping with our remaining liner trades and our interests in OCL and Seafarmer, and, subject to a reasonable level of trading to and from the areas which they serve, there is no reason to believe that they will not continue to make progress. At the moment, however, a problem, but we take the view that, given some improvement in world trade, they should be capable, over the years, of producing a reasonable return on the capital employed.

Helicopters are a major contributor to profits and a number of our other interests are not without promise.

As I have already stated, we have our lame ducks, but we shall find an answer one way or another to these problems. Thus, we believe that the future of the Group should be founded on a strong balance sheet; that we should not be afraid to seek new opportunities, provided always that only a sensible proportion of our resources is committed. Resources are not limited to finance. Probably the richest asset of the country is the skill of its people most of whom are, one way or another, individualists who are motivated in many different ways. We recognise that degrees of skill, initiative and the carrying of responsibility must be adequately rewarded if we are to retain and develop the kind of management which is so essential in this highly technical age. Among the motivations is a wish to improve one's way of life and, sadly, in this country high taxation is a very successful deterrent and contributes to the loss from these shores of much promising talent. Finally, let me repeat in essence, but with emphasis, what I have said on many occasions. I believe in free enterprise. I have no doubt that it can be improved in its attitudes and efficiencies, but it remains the best hope and the most important ingredient of the 'mix' for the future prosperity of this country. Freedom and prosperity are indivisible.

*TENDIMUS (the B & C motto)—We press forward

For a copy of the Report and Accounts telephone 01-283 4343 (Ext. 233) or write to the Company at Cayzer House, 2-4 St. Mary Axe, London EC3A 8BP.

COALITE AND CHEMICAL PRODUCTS LIMITED

The fifty-ninth annual general meeting of the company was held at the Dorchester Hotel, Park Lane, London W1, on Wednesday, 28th July, 1978.

Statement by the Chairman.
The Rt. Hon. The Viscount Ward of Witley, P.C.

Board Changes

It was my privilege to succeed to the Chairmanship on the retirement of Mr. Francis Waring on 30th September 1975. It is difficult adequately to acknowledge the unique contribution which Francis Waring has made to the success of the Company since he joined it 60 years ago at the embryonic stage of trying to convert an experimental low temperature carbonising system into a commercially successful process. The success achieved in that direction and subsequently in developing the Company's oils and chemicals activity must be largely attributed to his tenacity and leadership. Particular during his period as Managing Director and then Chairman. Since he has agreed to continue as a director, we shall not lose the advantage of his lifelong experience of our affairs.



As indicated in the Chairman's Statement last year, Mr. C. E. Needham became sole Managing Director on the retirement of Mr. A. Goodsell as Joint Managing Director on 30th June 1975. In February 1978 Mr. D. W. Korff was appointed to the Board. In his capacity as General Manager of Oils and Chemical Sales, he brings to the Board the advantage of thirty years' experience in the chemical industry.

Results
On a Group turnover of £54,997,000 compared with £49,278,000 in the previous year, profit before taxation was reduced from £9,605,000 to £7,936,000. A reduction in profit is always disappointing but it has to be remembered that the previous year with which the comparison is made was exceptional in producing a profit at least twice that of any earlier year.

Depreciation amounted to £3,426,000 compared with £3,082,000 in the previous year. After taxation of £3,605,000 this produced a cash flow of £7,259,000 (£7,674,000) of which £2,518,000 was required as additional working capital. Net liquid funds at 31st March 1978 amounted to £4,607,000. A table showing the Source and Application of Funds has been introduced into the accounts.

Taxation outstanding amounts to £3,473,000 (£4,779,000). Expenditure on capital plant during the year totalled £4,012,000, leaving £3,076,000 authorised and outstanding at 31st March 1978.

Dividend
A final dividend of 0.3541 pence per share is proposed, which together with the interim dividend already paid makes a total of 0.6836 pence per share compared with 0.6120 pence per share last year. This is the maximum increase allowed under existing counter-inflation restrictions.

Inflation Adjusted Accounts

Last year's Accounts included a summary of the Group's results and financial position adjusted to reflect the estimated effects of inflation. The adjustments were calculated on the Current Purchasing Power (CPP) method then being recommended by accounting bodies but the Sundlands Report has since recommended the use of Current Cost Accounting (CCA). The two methods are based on principles which are fundamentally different and the accountancy bodies are re-examining their original proposals. Your Directors feel that it could be misleading to continue to provide inflation adjusted information until a definite recommendation has been made and a standard form adopted. We remain none-the-less aware of the impact of inflation on our operations and of the consequent need to generate profit at a high enough level to provide funds for the future financing of our operations and to maintain the value of shareholders' equity in real terms.

Rights Issue and Authorised Capital
On 21st May 1978 the Company announced a Rights Issue of one new Ordinary Share for every four Ordinary Shares held, to those Shareholders on the Register at the close of business on 14th May 1978. As explained in my letter at the time, this is to raise approximately £3.9 million and is looked upon by your Directors as a prudent move to consolidate the Group's financial strength.

The Rights Issue was made without the need for any increase in Authorised Capital. As will be seen from the Notice convening the Annual General Meeting, shareholders will be invited to approve a resolution to increase the Authorised Capital to £20,000,000 by the creation of 50,000,000 Ordinary Shares of 10p each.

General Review

It was to be expected that we should suffer with the rest of industry from the undesirable results of industrial unrest, excessive inflation and the general recession. The most depressing consequence was the need to take the Rosington Coalite Works out of operation in order to bring production into line with demand.

Coalite
A labour dispute early in the year had largely emptied the supply line to consumers and production was fully sold throughout the rest of the summer period, helped by merchant and consumer stocking in anticipation of coal and solid smokeless fuel price increases in October. With the long awaited cold winter again failing to materialise and with consumers using fuel much more sparingly, sales declined substantially and it became evident that the only prudent course was to take one of the four Coalite Works out of production, since there was no evidence on which to assume that this capacity would be needed again during 1978. Accordingly in March, production ceased at Rosington and output was reduced at Grimethorpe.

The most distressing part of this unavoidable retrenchment was the consequent redundancy of employees. Provisions for redundancy payments and other costs involved are included in the accounts for the year ended 31st March 1978.

Coalite continues to occupy the pre-eminent position as the most popular all-purpose domestic solid smokeless fuel. The rate at which the recent decline in the sales of solid smokeless fuels is reversed, however, depends on a number of external influences which cannot be predicted with any certainty in present circumstances. One particularly unfortunate feature is that natural gas resources, which have only a limited life, are being squandered cheaply in the short-term and are thus undermining the solid fuel industry which will be needed to fill the void as the gas fields become exhausted.

Chemicals and Oils

Although the chemical and oil industries suffered continuing worldwide recession during the year, the demand for our specialised products was on the whole well maintained and this side of our activities again made an increased contribution to Group profits.

There were substantial fluctuations in certain areas however, for example in that of Ortho Phenyl Phenol. Although demand for this product earlier in the year was so poor that production was suspended for a period, for the past few months the plant has been operating at high output.

The new plant to increase our capacity for the production of intermediates for the manufacture of herbicides is in the process of commissioning. The demand for these products was well maintained during the year but slackened to some extent recently due to a spring in which conditions for herbicide spraying were disappointing.

We have continued to consolidate our entry into the road-builder market, with our products now accepted under the appropriate British Standard Specification. As I said in my recent letter introducing the rights issue, it is intended to take suitable opportunities as they arise to expand our activities in chemicals and one step already taken in this direction is to authorise the construction of a General Purpose Chemical Plant to speed up the conversion of research effort into commercial production. The capital cost involved will be approximately £10M and it is due for completion before the end of 1978.

We have continued to make substantial investment in environmental improvements. An Ammonia Recovery Plant to improve the quality of the aqueous effluent from the Works at Bolsover is at present being commissioned and the construction of a new incinerator for chlorinated waste materials has been authorised.

Siebens Oil and Gas (UK) Limited

Subscription to the rights issue referred to last year increased our financial stake in Siebens (UK) to £471,511 representing a percentage holding of 8.83 per cent.

The first drilling in Block 2-10, east of the Shetlands, had produced very encouraging indications of the presence of hydrocarbons in commercial quantities but two subsequent holes failed to confirm this early promise and the Western Pacesetter drilling rig was moved onto Block 3-28 in April 1978. While this hole has confirmed the presence of low gravity oil and evaluation is not yet complete, it appears doubtful whether the quantities are sufficient to justify commercial exploitation. This means that the present value of our holding rests mainly in the 8 per cent stake which Siebens (UK) has in the Brae field which was discovered by Pan Ocean and has been generally reported as a major oilfield.

Employees

In the light of difficulties met during the year, the results were satisfactory and I feel sure you will join me in expressing appreciation to employees at all levels for their contribution to them. It has been pleasing to see a better understanding developing between employees having different areas of responsibility and an increased appreciation of mutual dependence throughout the Company on maintaining and where possible improving the efficiency and profitability of our operations.

Prospects

The uncertainties faced by industry are still such that forward estimating remains a hazardous and not particularly constructive exercise. Having taken steps to maintain the financial strength of the Company, your Directors are confident that we are in a position to take full advantage of the opportunities which will accompany the awaited return to a reasonable rate of domestic inflation and a general resurgence in trade.

BIDS AND DEALS

GO in talks with Anglo and Argyle

In a further step to consolidate the complex financial interests of Sir James Gosnell's master company, General Decadentale, announced yesterday that it was having discussions with Anglo-Continental Investment and Finance and Argyle Securities with a view to buying out the shares in both companies not already owned by the group.

GO currently holds 67.9 per cent of Anglo-Continental, which in turn owns 47 per cent of Argyle. The talks are expected to lead to an offer of 61p a share in cash for Anglo-Continental, valuing the company at £23.4m, and 30p in cash for Argyle, which controls it at £11.33m.

With the passing of formal control of Cavendish to GO recently, Sir James has said that a London listing for GO is under consideration.

One result of this deal was that Anglo-Continental's stake in Cavendish dropped from 20 per cent to 18.2 per cent, so preventing Anglo-Continental from "equity accounting" for its stake, which accounted for three-fifths of A-C's trading profits in 1977.

On Monday, it announced that it was also negotiating with Leslie and Gwyn to merge its insurance subsidiary Wigham Poland.

Argyle for its part, with the aid of GO, has been steadily de-leveraging. In the year to March 1978 it realised assets for a total

of £16m and since the year-end has sold dealing and investment property for £12.3m; the development programme is not virtually complete.

A large minority holder in Argyle is the Post Office Staff Superannuation Fund which holds 15.4 per cent. Last year Argyle sold its interest in Les Macazines du Louvre development to the fund for £1.3m, realising a profit of £1.1m.

Yesterday, Anglo Continental shares rose 9 1/2p to 61 1/2p. Argyle registered a 3p improvement to 35p and Cavendish gained 1p to 10p.

See Lex

VENESTA COMPANY CHANGES HANDS

With financial support from the IFC, Mr. G. R. Dawes, managing director of Venesta International Components, Mr. R. E. Bowman (marketing director) and Mr. P. S. Dodson (finance director) have acquired from Sir Charles Hardie, the Receiver of Venesta International the capital of Venesta International Components, a manufacturer of materials and components for the building industry.

G. R. Dawes Holdings has agreed to acquire the 11,950 shares in Cole of Bolton not already owned by Dawes for £380,000 cash, payable on completion of existing resources.

Profit of Cole for the year ended March 31, 1978, amounted to £12,014 inclusive of deposit interest received (from G. R. Dawes and Co.) 2 wholly-owned subsidiary of G. R. Dawes Holdings) of £86,219, and net tangible assets at that date amounted to £786,362 including £779,487 on deposit with G. R. Dawes and Co.

ROYAL SOVEREIGN PREFERENCE

Dickinson Robinson Group will make a cash offer for the 87,935 3.5p per cent. Preference shares in Royal Sovereign at 50p per share at the same time as the offer for the Ordinary.

The offer for the Preference will be conditional, inter alia, upon the offer for the Ordinary becoming or being declared unconditional.

LILLESHELL

The Lilleshell Company has acquired for cash the capital of Shoteclean and Painting and its associated company Full Force Compressors. Total consideration is four times the aggregate audited profits before tax of the Shoteclean and Full Force for the year ending February 28, 1977 with a minimum payment of £100,000 and a maximum of £200,000.

Net assets being acquired amount to £28,000 as at February 29, 1976, and the aggregate net profits before tax for the current year are expected to be in the region of £40,000.

Adams Foods offer for Broadhursts

The shares of Adams Foods, in which the Irish Dairy Board has a controlling stake, are to be sold by Adams to the Broadhursts on October 31, 1978 for £124,723.

PEACOCK SASINI
The Warren Plantation Holdings offers for Peacock Sasini Estates not already owned have been declared unconditional. The principal offer will remain open but the cash offer is closed.

Acceptances have been received for 7,629 Ordinary shares (0.34 per cent.) in respect of the cash offer and 1,215,423 Ordinary shares (53.38 per cent.) in respect of principal one. Warren held 818,964 Ordinary shares (36 per cent.) before the offer.

SHARE STAKES
Scottish Amicable Life Assurance, with its sub Scottish Amicable Pension Investments, now holds 1,161,230 Ordinary shares in Young Companies Investment Trust (17.86 per cent.).

Birmingham and Midland Counties Trust now holds 1.6m. (16.07 per cent.) Ordinary shares in Wiltshire Reed and Sons.

Mr. M. Menko has reduced his holding in Flexcell and now holds 1,043,739 Ordinary shares (31.33 per cent.). His former holding was 2,327,327 shares.

Mr. J. G. Cluff now holds 12,100 £1 stock units in Heywood Rubber (14.04 per cent.).

ASSOCIATES DEALS
Laurie, Jitbank has bought 30,000 Dent Fowkes at 19p and 35,000 at 19.5p on behalf of Ace Investment Company, a subsidiary of Anglo-American Finance. It has also sold 15,000 at 19p and for an associate.

Gittins and Co. has bought 2,500 Malt Securities at 22p for Davis Investments (Jersey).

Sternberg, Thomas Clarke has sold 3,000 347 Dart at 51p on behalf of associates.

Laing and Cruikshank has bought 17,024 Allan Kennedy at 35p for Ferguson Industrial Holdings.

Cazenove has bought 1,368 Macropole Industries at 30p on behalf of International Combustion Holdings.

Greene and Co. has bought 8,419 Ordinary shares in connection with the acquisition of

Garnar Scotblair. General Scotblair has sold 8,419 Ordinary shares in connection with the acquisition of

RECENT ISSUES

EQUITIES									
Price	Change	High	Low	Open	Close	Volume	Value	Dividend	Yield
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0

FIXED INTEREST STOCKS									
Price	Change	High	Low	Open	Close	Volume	Value	Dividend	Yield
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0

"RIGHTS" OFFERS									
Price	Change	High	Low	Open	Close	Volume	Value	Dividend	Yield
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0
101 1/2	+	101 1/2	101 1/2	101 1/2	101 1/2	10	1,015	0.00	0.0

Eva Industries LIMITED

Results for the Year Ended 31 March 1978

	1978	1975
Turnover	£2,000	£2,000
Profit before tax	£2,741	£1,589
Earnings per Ordinary Share of 25p	8.3p	8.5p
Dividend per Ordinary Share	3.3180p	3.0425p

*Figures exclude results of Brazilian subsidiary, except for dividends received.

Highlights from the statement by the chairman, Mr. Roy Astley, to shareholders at the Annual General Meeting in Manchester.

"The Eva Group covers a wide but coherent cross-section of engineering activities operating at different stages in the economic cycle and its income includes a significant proportion of overseas earnings."

The year was characterised by the amount of management time which was devoted to solving problems of external origin out in the event we ended the year with a pre-tax profit of £1,101,000 (1975 £1,362,000).

The Commonwealth Development Finance Company Limited has agreed to become our partner in Brazil. It is doing this by taking over the company's £200,000 loan from the Midland Bank Limited with the intention of converting it into equity capital.

Shareholders are well aware that we have recently made a successful rights issue. More than 69.0% of the rights were taken up. The balance, not taken up was sold in the market at a premium and the proceeds distributed to the shareholders concerned. It is now possible to say that the Company is well placed, from a cash viewpoint, to finance operations envisaged in the foreseeable future.

Further to my report which was circulated with the annual accounts, I can now inform shareholders that the consolidated trading results for the first quarter of the current year were comfortably ahead of the corresponding quarter of 1975/76.

Although not included in consolidated profits, I should also comment that the trading results in Brazil during the same quarter have shown a quite dramatic improvement."

Copies of the report and accounts in full may be obtained from the Secretary, Eva Industries Limited, Corporation Lane, Chorley, Manchester, M51 4BN.

Brent Chemicals International

Industrial Chemicals and Systems Worldwide

Continued Growth

Year ended 31st December	1975	1974	1973	1972	1971	1970	1969
Sales	£'000 9,807	£'000 6,841	£'000 3,720	£'000 2,167	£'000 1,403	£'000 1,172	£'000 1,081
Profits before tax	1,082	702	384	241	155	53	2
Earnings per share	12.0p	7.6p	4.4p	3.5p	2.7p	0.8p	0.6

Management accounts for the first five months indicate group sales and profits appreciably ahead of the same period last year. — J S M Jones, Chairman.

Copies of the report and accounts may be obtained from The Secretary, Brent Chemicals International Limited, Ridgeway, Iwer, Bucks SL0 3JJ.

This announcement appears as a matter of record only.



US \$24,000,000

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to

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SANTIAGO, CHILE

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Provided by

Allied Bank International

Bank of America International

Bank of America N.T. & S.A.

The Bank of Nova Scotia

The Chase Manhattan Bank N.A.

Nasam Branch

Chemical Bank

Continental Bank

Continental Illinois National Bank and Trust Company of Chicago

European Brazilian Bank Limited

-BUBROAZ-

World Banking Corporation Limited

Nasam

Agent Bank

BANK OF AMERICA INTERNATIONAL



ACCOUNTANCY APPOINTMENTS

Senior Management Accountant for UK and the Continent

A major property development and investment company based in London with world-wide interests requires a management accountant for its European Division.

Regular visits to the Continent, and significant independent responsibility make the job attractive to people with ambition and innovative skills. The job requires an ability to interpret the company's activities in financial terms, working closely with senior London and Continental management. Experience of project control and accounting systems is important.

The successful man or woman will be a qualified accountant aged about 28 with commercial experience in an international company. The salary will be about £7,000. Location: West End of London.

Please write, in confidence, to I. B. Murdoch, Ref: 566.



McIntock & Whinney Murray
City Wall House
84 Chiswell Street
London EC1Y 4XT

Finance Director

North West From £15,000

A large engineering group with an impressive growth record is looking for an exceptional top level executive to be responsible for the Group's finance function.

The Group's activities include the manufacture and marketing of specialised machinery, process plant contracting, and industrial services. Established a hundred years ago, its expansion world wide in recent years has been achieved by internal growth and by acquisition and this will continue.

The person appointed will already hold a senior finance position in a dynamic industrial environment. He or she will be a qualified accountant and, probably, a university graduate. He or she will be from 35 to 55 years old.

Candidates should be able to demonstrate suitable experience of raising and controlling large funds, acquisitions and mergers, corporate planning and the motivation and guidance of senior financial staff.

Write in confidence, quoting reference 2815/L to: E. M. Neil,



Peat, Marwick, Mitchell & Co.,
Management Consultants,
11 Frommenger Lane,
London, EC2V 8AX.

Trusts and Estate Planning

A vacancy has arisen in our Personal Services Department for an ambitious man or woman interested in developing a career in the trust, personal tax and estate planning field.

The position will be of particular interest to those between 26 and 35 years of age who already have considerable experience in trust administration and related matters and who wish to develop their skills at a senior level in the field of personal financial planning. The successful candidate will probably have an accountancy or legal qualification but the absence of such a qualification should not deter those who possess a high level of expertise in these areas.

The starting salary and promotion prospects are excellent for the person who is willing to accept the challenge this opportunity offers.

Write with full details to:

Peter Scott,
Coopers & Lybrand,
Abacus House,
Gutter Lane,
London EC2V 8AH.

CHARTERED ACCOUNTANT

Trident Television Limited require an able and energetic Chartered Accountant, probably in his/her late twenties, to assume an active role in its diversification programme.

Initially the appointee will be concerned with the identification, evaluation and acquisition of suitable companies and businesses, but subsequently will be expected to be involved in general management.

A salary in the region of £6,500 is envisaged plus a company car.

Location: Mayfair.

Properly qualified and experienced candidates should apply to:
Mr. David Ricker

TRIDENT TELEVISION LIMITED
Trident House, Brooks News, London W1Y 2PN

FINANCIAL CONTROLLER

West London To £10,000 + bonus

Marketing high volume consumer goods, our client turns over £8 million, is very profitable and is growing rapidly. The company is part of a highly successful international group.

Supervising 43 staff in the accounting, finance and distribution functions the Financial Controller will operate and further improve the sophisticated management information systems. In addition to interpreting information for management and recommending appropriate action, the Controller will contribute to such policy decisions as pricing and investment.

The Controller will play an important part in virtually all general management decision making.

Aged 30-35 the applicants should be qualified accountants with experience in industry or commerce.

Telephone or write to Graham Webster, A.C.A., MBA quoting reference 1/1324.

EMA Management Personnel Limited
Burne House, 88/89 High Holborn
London WC1V 6LR
01-242 7773

FINANCIAL DIRECTOR

Near Portsmouth To £10,000 + Car

Our client designs and manufactures equipment for the leisure industry. Turning over £4 million, the company is profitable and is planning expansion into new fields.

Reporting to the Managing Director, the Financial Director will be responsible for all financial and accounting matters. Initially spending considerable time improving the currently sound but unsophisticated management information systems, the Director will organise the department of about 8 staff as appropriate.

The Director will play a major role in the management of the company, and it is hoped that applicants will be capable of taking general management responsibility within 2 years.

Aged 30 to 40, candidates (male or female) should be qualified and have industrial experience, preferably in a manufacturing environment.

Please telephone or write to Graham Webster, A.C.A., M.B.A., quoting reference 1/1241.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn,
London WC1V 6LR
01-242 7773

HEAD OF TREASURY

West Midlands

From £8,000

Our client, the European Headquarters of an American group, wishes to recruit a qualified accountant, male or female, mid 30's, to take over its treasury function.

The main criteria we will be looking for are:-
• experience in the control of cash and assets;
• experience in company secretarial work;
• the ability to recognise when international expertise in legal tax and insurance matters is required.

This is not a new position, but the appointee person should be able to expand the present role to an involvement in the world wide corporate strategy of the group. Salary is negotiable with substantial fringe benefits such as a car, life insurance, removal etc. with promotion a possibility for the right person.

Please write, giving brief but comprehensive details of your career and salary to date, to Executive Selection Division, MD/547.

Coopers & Lybrand Associates (Midlands) Limited,
Management Consultants,
Lyndon House, 62 Hagley Road, Edgbaston,
Birmingham B16 8PN.

Financial Controller Bedfordshire

Our client is an expanding German company whose consumer products have been very successful in the UK and are widely acclaimed by the trade and public alike.

The company seeks a Financial Controller to take over all financial functions (including management accounting, budgeting, costing, financial planning, etc.) apart from normal routine activities, through appropriate staff. Additional duties include advising management on financial policy and taxation.

Candidates, aged 30 to 40, should be suitably qualified professionally and thoroughly versed in the financial function, particularly taxation. A knowledge of German advantageous but not essential.

Starting salary up to £7,500. Location Bedfordshire; removal assistance. Please send brief details to S. W. J. Simpson ref. 3.38210.

This appointment is open to men and women.

MSL World wide

Management Selection Limited
17 Stratton Street London W1X 6DB

Reed Executive

The leading authority on the selection of financial management.

General Admin. Manager

Leeds

c. £6,500 + car

This position provides a rare opportunity to join an organisation with an enviable record of expansion and profitability. Operating in a fast-moving and pressurised service industry, the company's need is for a highly numerate individual whose commitment to job and career are beyond question. Responsibilities are wide ranging and include data processing and certain financial aspects in addition to large volume document control. Candidates, ideally aged 33-40, should be graduates or possess a professional qualification and have previous experience of management services and staff control. Prospects are excellent.

Telephone 0532 459181 (24 hr. service) quoting Ref: 3194/FT. Reed Executive, 24-26 Lands Lane, Leeds LS1 6LB.

London - Birmingham - Manchester - Leeds - Paris

Hoggett Bowers

Executive Search & Selection Consultants

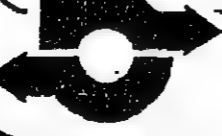
Financial Controller

The Seychelles £7,000 +

Insurance, hire purchase and property development are just three of our client's diverse interests in this tropical paradise. Business is growing, taking full advantage of the expanding tourist industry and consequently, the financial and management control of their operations is vital.

Prime responsibility is for the day to day management of all business operations, therefore real commercial flair is required in addition to a strong accounting background. A three year contract is envisaged and the exceptional fringe benefits include a performance bonus plus car and rent allowance.

R.D. Houghton, Ref: 27004/FT.



Male or female candidates should telephone in confidence for a Personal History Form to: MANCHESTER: 061 236 8981, Sun Life House, 3 Charlotte Street, M1 4RB. Offices also in Birmingham, Glasgow, Leeds, London, Newcastle, Preston, Sheffield and Australia.

A.C.A. - City Bank

An international bank in the City has a vacancy which will probably appeal to an accountant who has qualified fairly recently.

The man or woman appointed will be expected to take responsibility for management accounting/costing and assist as occasions arise on tax and allied matters requiring professional expertise. Experience of banking, perhaps obtained during audits, is desirable and a particular interest in taxation would also be advantageous.

Commencing salary will be appropriate to experience. Other benefits include low interest mortgage, non-contributory pension and incentive schemes.

Applications will be treated in strict confidence. Please write stating how the requirements are met to Mr. E. Cotter, Golley, Slater and Partners Limited, 125 High Holborn, London WC1V 6QA.

Financial Controller

Home Counties

A major engineering subsidiary of a large international group with substantial profits and growth prospects in UK and overseas requires a Financial Controller. As the financial member of the management team reporting to the General Manager he or she will be expected to provide a first class financial service and contribute to the growth and profit performance of the business.

Candidates should be around 35 preferably with a degree, and must be qualified accountants (A.C.C.A., A.C.M.A., A.C.A.)

Their experience must include a period as a Controller in a major international organisation with well established reporting procedures. Experience of line financial management in

manufacturing operations and of export procedures is essential. Success in this job will lead to possibilities in general management.

Salary is negotiable and not likely to be an obstacle for the right candidate. The benefit package includes a company car and is more for a major group in other respects. (Ref. D68097)

REPLIES will be forwarded direct, unopened and in confidence to the client unless address to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6046 Telex: 27874



A member of PA International

Finance Director

Contracting Industry

c. £10,000 + car

The Company, a market leader in a specialised industrial sub-contracting service with a turnover of over £10m, is part of a major British Group. The present Finance Director is being promoted to a general management appointment.

The task for his successor is challenging. It involves responsibility to the Managing Director for the effective control of the financial and legal aspects of geographically separated profit centres, and also, as a member of the Board, for contributing to company policy and planning.

Applicants should be professionally qualified, preferably in their mid-thirties, with practical

experience in, and an understanding of, the special characteristics of the contracting industry.

Location - London area. Salary negotiable around £10,000, company car, excellent fringe benefits, including relocation expenses if necessary. (Ref: 17580/FT)

REPLIES will be forwarded direct, unopened and in confidence to the client unless address to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6046 Telex: 27874



A member of PA International

Accounting Manager

c. £7000

An International Service Industry Company, based in South London is seeking an energetic Accountant, man or woman, to be responsible to the Controller of the Finance Division for the production of monthly statutory accounts, data processing, management control, systems and programme support.

Candidates, preferably over 30, must hold a full UK professional accounting qualification and should have had experience in a large public accounting organisation plus 2 1/2 years' commercial or industrial background involving exposure to large volume transactions and very tight reporting deadlines. Maturity of judgement and leadership qualities are essential together with attention to detail and proven management ability.

Please write with full details of age, qualifications and experience to Position No. ASA 5547, Austin Knight Ltd, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

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Accountants available for double ch some fiduciary T. Telephone 01-629

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Applications will be forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

GENERAL APPOINTMENT

CONFIRMING HIS EXECUTIVE REQUIREMENTS... An International Company needs the services of a... with Confirming House... successful applicant... U.K.-based and well versed... Salary and benefit... for the right person... We consider that this... will be a key one in our... and promotion will be... variable... At present, we do not... the U.K., as Confirmers... can be based in their... will be treated confidentially... Please write giving full... your background... Chairman, Box AS649, P.O. 19, Cannon Street, EC.

GENERAL APPOINTMENTS

FOOD/SUPERMARKETS Senior Investment Analyst

A leading London firm of Institutional Stockbrokers is seeking a research analyst to cover the food manufacturing and retail sectors and complement existing research expertise. The analyst should have spent at least two years in investment banking or be qualified through training and experience in the food industries. The analyst will be expected regularly to visit companies and be given considerable freedom to develop local business within the sectors.

Salary and benefits will fully reflect the candidate's experience and potential.

For a full confidential reply, in full confidence, to Box A.5648, Financial Times, 100 Broad Street, EC4P 4BY, or telephone Christopher Ashton at 01-836 2424 for further information.

Corporate Finance Marketing

Citicorp International Bank Ltd., the merchant bank affiliate of Citibank NA, have a challenging opportunity for a multilingual MBA, who will have responsibility for marketing the bank's computer-based International Command Financial Marketing System in Europe.

The job will involve you in communicating at a senior financial executive level, co-ordinating with bank's Account Officers and helping to point the direction of future product developments. You will therefore need to have graduated from business school in finance or have had equivalent experience. You should also have had experience in marketing to financial or industrial concerns. Fluency in German or French is essential, the ability to speak French an asset; as 30-40% of the time is spent on the Continent. Bilinguality is necessary. Computer knowledge would be an advantage, but is not essential.

Salary is negotiable, and an excellent range of benefits includes low-cost mortgage, personal loan and non-contributory pension.

Please write with full career details to:
Mr. E.B. Powell, Executive Director,
Citicorp International Bank Limited,
335 Strand, London WC2.

Foreign Exchange experience— could be worth up to £8,000 p.a.

Comshare Ltd. is one of the top companies in the U.K. computer timesharing industry. We provide both computer time and applications expertise to many companies in commerce and industry. To help clients take advantage of our sophisticated technology, we've gathered together a team of highly qualified and specialised computer people. Their experience has highlighted the need in the banking area for a new management information and accounting system covering foreign exchange. And that's where you can help us. We're looking for a man or woman with sound experience in this particular area—possibly gained with a bank. You will be

responsible for initiating the launch and marketing of this new system in the U.K. and, possibly abroad.

Previous experience in our industry is an advantage but we'll give you our full support in your work together with complete back-up resources. This is a big project and it will need the 'professional' touch.

If you have it, you can expect a salary of up to £8,000 p.a.—negotiable according to age and experience—plus attractive working conditions and big company benefits. Career prospects are also first-class with this young expanding company.

Please telephone or write to:

Nicholas Birles, Financial & City Group Manager,
COMSHARE LTD.,
32-34 Gt. Peter Street, London SW1P 2DB. 01-222 2652

COMSHARE
making the computer make sense

Deputy Chief Actuary

for a substantial and well established life assurance company situated in a pleasant part of London location. This new appointment is designed to strengthen the top management team and a successful candidate with general management potential can anticipate further promotion within about 5 years.

Salary is negotiable above five figures and fringe benefits include a company car.

Candidates aged under 50 should reply—in complete confidence—to D. R. U. Bennell ref B.43470.

This appointment is open to men and women.

MSL World wide
Management Selection Limited
17 Stratton Street London W1X 6DB

INTERNATIONAL REINSURANCE VICE PRESIDENT

(Underwriting)

Applications are invited for a Vice President to underwrite in Bermuda for a newly organised International Reinsurance Company backed by a major international group of the highest reputation. The successful applicant, who will live in Bermuda, will have a proven record in international reinsurance, preferably on the underwriting side, and it is important that he should already have good working relationships in both the London and United States markets. A broad knowledge of marine, property and casualty reinsurance is necessary, together with the capacity to assume senior management responsibility immediately. This is a challenging post offering considerable opportunity for advancement to the right person.

Write Box A.5647, Financial Times,
10, Cannon Street, EC4P 4BY.

Bank of America is seeking young British men and women with an MBA degree or BA degree plus business experience to train for an interesting and challenging career with the world's leading international bank. Prior experience in financially related fields is preferred. Ages 23 to 30 will be considered.

A comprehensive training programme is offered in London and initial post-training assignments will be in the United Kingdom. The opportunity for future international assignments depends on ability and performance. Salary and benefits are competitive.

Interested individuals should send curriculum vitae to:
T. A. McDevitt, Vice President,
Bank of America,
25 Cannon Street,
London EC4P 4HN

No telephone calls please.

BANK OF AMERICA

A.D.R./Securities Clerk

Required by American Bank

Aged 22-25 years

preferably with previous banking experience. Salary negotiable. Usual fringe benefits.

Write with full details to Personnel Dept.
36-38 Cornhill London EC3.

London Multinational Bank



The further expansion of our Foreign Exchange and Money Market activities has created an opportunity for a young Foreign Exchange Dealer to join our team in London.

Applicants, male or female, should have had at least 2 years dealing experience and be not over 30 years of age.

General Banking experience and at least one foreign language would be advantageous.

Applicants should write in complete confidence, giving full personal details to Mr. David E. Nye, Assistant Director & Secretary, London Multinational Bank Limited, 1 Union Court, Old Broad Street, London, EC2N 1EA.

Investment Analyst Tobacco & Brewery Sectors

A leading firm of stockbrokers are seeking an analyst to head the firm's research effort in the tobacco and brewery sectors. This is a senior position calling for an individual holding a degree or equivalent qualification. An essential requirement is relevant experience in stockbroking or an institution.

The salary offered, together with fringe benefits, has been pitched at a level attractive to senior analysts in these fields. Please reply to Mr. Stocker (quoting reference 76/18, and listing companies to whom you do not wish your name to be sent) Charles Barker Management Selection International Ltd., 30 Farringham Street, London EC4A 4EA.

Charles Barker
Management Selection International



BANKING—W. AFRICA to £13,600+Car, Accommodation, etc.

Our client is a clearing bank recently established with significant backing in West Africa. We have been retained to recruit a number of senior, experienced bankers who will play a leading role in the future development of the bank as an important financial institution in the area. There are four vacancies:—

CHIEF INSPECTOR

This position should lead to General Managership within 12 months.

REGIONAL MANAGER

Overall control of all branches within the region.

ADVANCES MANAGER

Responsible for assessing loan and credit proposals, reporting to the board.

STAFF DEVELOPMENT MANAGER

To train local branch managers and supervise recruitment and training of staff. Applicants must be experienced bankers, qualified AIB, aged 30-45. The positions offer a combination of high living standards, excellent capital savings, generous family leave benefits, accommodation and car. Contact E. S. Moore.

Reginald Welsh & Partners Limited.

Accountancy & Executive Recruitment Consultants

123/4 Newgate Street London EC1A 7AA

Telephone 01-600 8387 (3 lines)

MANAGEMENT OPPORTUNITY

Dynamic and determined manager required to revitalise plant hire company which has a good growth record but has now become stagnant. Present team suit but stale and requires infusion of ideas and energy. For further information, please write Box A.5651, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMODITY back-up staff wanted. Chartered Accountants. 01-838 2377.

Boardroom Executive

c £8,000+Car

To handle all aspects of one of our International Client's overseas marketing operation, with additional responsibility for several other board level activities.

If you have a first class record in FMCG export marketing, fluency in European languages and are aged between 35 and 40 please telephone Trevor B. Lee, Managing Director on his private line 01-204 0862 for a confidential discussion.

Executive Projects.

SENIOR MARKETING EXECUTIVE

We are a Public Company operating principally in the construction industry with a successful record of growth. Current turnover exceeds £30m. per annum.

To help ensure that further expansion is directed towards the most promising areas, we propose to appoint a Senior Marketing Executive.

In addition to researching and advising on new activities, promotion of existing ones would be involved.

We seek a person with extensive experience in a senior post and a proven record of results.

Applications in writing to:

The Chairman,
Galliford Brindley Limited,
Wolvey, Hinckley, Leicestershire.

GALLIFORD BRINDLEY LIMITED

GENERAL SALES MANAGER

To take full responsibility for the Car and Truck Sales Departments with a Vehicle Sales turnover of approximately one million pounds, but operating below potential.

The Company employs one hundred and fifty, with one of the most comprehensive and modern Car and Truck Service facilities in the United Kingdom. and is part of a substantial privately controlled group.

Responsibility would be to the Director/General Manager, and satisfactory performance could lead to an invitation to join the Board.

Salary to be negotiable, plus share of the profits, company car, many other benefits, and realistic relocation assistance. Application form from the Director/General Manager, Brookside Garage (Wellingborough) Limited, Finedon Road, Wellingborough.

Head of Loans

Prominent and Expanding
Consortium Bank

This represents an outstanding opportunity to make a significant contribution to the growth of a very soundly-based consortium operation in the City.

To qualify, candidates should be in their late 30's or early 40's with a sound knowledge of the euro-currency markets and a proven ability to lead and motivate a team of people. Additional personal assets may include a degree or relevant professional qualification, together with fluency in Spanish or Portuguese which is regarded as essential.

Career prospects will combine with a highly competitive salary in the five figure range to present a most attractive opportunity to the successful applicant.

Write in complete confidence to Norman Philpot as adviser to the bank.

Lloyd Management

Brentford House, 50, St. High Holborn, London WC1V 6EA Tel: 01-405 2459

COMMODITY TRADER

EUROPE AND LONDON BASED
FINLANDIA £5,000

An absolutely first-class young person 25-30, for an appointment in an international company offering excellent career prospects in an extremely pleasant environment. He/she will work in London but will travel overseas some 25% of the time, managing sales of finished juice goods.

His experience in this field is necessary, as thorough training is given. It is ESSENTIAL that applicants speak fluent English, adequate German, and have a cosmopolitan approach to figures and initiative with justified confidence.

Letter or telephone (01-828 7200 24hr. Service) for application quoting ref. "M".

SALES SELECTION LTD.
35-37 Grosvenor Gardens, London, S.W.1.

ACCOUNTANCY APPOINTMENTS

REGISTERED ACCOUNTANTS FOR CANADA

Currently have positions available for Chartered Accountants interested in a career with an international Chartered Accountants. persons who are seeking immediate responsibility, we offer excellent opportunity for career growth.

Edmonton office has a well diversified audit, tax and consulting practice.

Salary and other benefits will be commensurate with experience and ability.

Please forward a resume in strict confidence to:
R. J. Walker,
300 Canada Trust Bldg.,
Edmonton, Alberta, Canada
T5J 0P6

RNST & ERNST
Chartered Accountants

Financial Analyst

£7-9,000

Stock Brokers require a senior Financial Analyst specialising in Banks/Insurance Stocks to join their Research department, applicants should have at least three years experience in this sector.

An attractive salary above £7,000 will be offered to the successful candidate together with inclusion in a profit sharing scheme at an early date.

Please send adequate particulars, mentioning any firms to whom they may not be sent, to Miss M. T. STONE, Personnel Services Division of —



Spicer and Pegler & Co.,
Management Consultants,
6 New Street, Bishopsgate,
London EC2M 4UH.

MINING AND RAW MATERIALS

Britain's Uganda move boosts coffee prices

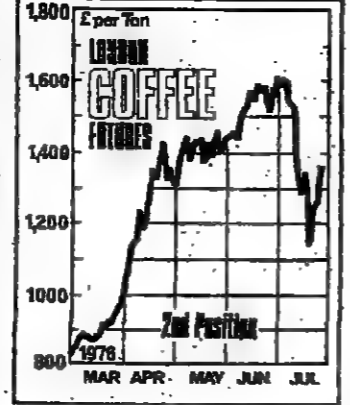
NEWS THAT the U.K. had broken off diplomatic relations with Uganda, boosted coffee futures prices yesterday. Before the announcement, London terminal market values were generally about \$10 up on the day but by the close the September position had climbed to \$1,363 a tonne, \$36.5 above Tuesday's close.

Some dealers felt the reaction had been overdone, however. It was pointed out that the move was unlikely to affect coffee trading directly and that in any case little coffee had been coming out of Uganda because of domestic difficulties. But some traders are obviously concerned that delayed shipments (mostly at prices well below current levels) may not arrive at all as a result of the new situation. Others argue, however, that this eventuality would be strongly offset by the Ugandan coffee trade in the rest of the world.

Nevertheless the move appears to have attracted much of the speculation (particularly in New York) who were driven out of the market during the recent sell-off.

The warmer weather in Brazil, which led to the sell-off early this month, has since continued, but without hindering the subsequent recovery in prices. The \$1,800 a tonne peak reached at the end of June was partly based on fears of frost hitting the Brazilian crop, as it did a year earlier. But although the traditional frost season still has some weeks to run the warmer weather trend in the main coffee growing regions has allowed these fears to move into the background.

Tuesday's overnight minimum



Strong demand for wool likely

MEANWHILE in Canberra, the Australian Woolgrowers and Graziers Council said it does not envisage the IWS being able to accumulate enough reserves over the next six years for effective wool promotion without Government support.

It told the Industries Assistance Commission (which is hearing evidence on its draft report on financing the promotion of rural products) that it disagrees that a reserve of growers' funds should be built up to provide for promotion after July 1, 1983, when the present Government subsidy should cease.

The Commonwealth Government at present provides about \$48.8m. a year for the promotion of wool.

And in Sydney the National Council of wool selling brokers said the flexible price reserve policy announced by the Australian Wool Corporation has met a mixed reception from the wool world.

While some users welcome the IWS assurances that it will not seek to push prices up, many large users from Western Europe and Japan are sceptical about the capacity of a flexible reserve mechanism to achieve a significant degree of market stability.

Mr. Alf Maiden, AWC chairman, announced the policy early this week.

Mr. Maiden said, sensible reserves should be applied above the new floor price levels and their sole purpose will be to protect the growers of sale lots which might be neglected on the day. He said they will be adjusted for market movements and will not be applied in a way that will force prices or defy a market trend.

However, large users pointed out that Mr. Maiden had not ruled out broader, manipulative-type use of flexible reserves. They added that while Mr. Maiden said the AWC would hold in reserve prices and buy in wool when unusual conditions seemed likely to cause a sudden, short-term disruption in demand, the "flexible" terms "unusual" and "short-term" had not been defined.

It is often extremely difficult to differentiate between short and long term movements in demand, the Brokers Council said. A mistake by the AWC could generate significant long term destabilising influences in the market.

Reuter

Farm output expanding, says Peart

By John Cherrington, Agriculture Correspondent

"THE GENERAL level of morale and confidence among farmers is much improved since our last meeting," Mr. Frank Peart, the Minister of Agriculture, said at the annual pre-harvest lunch of the Home Grown Cereals Authority yesterday.

"Many of the barometers of production are pointing for increases in output. The big breeding herd is expanding. Broiler production is moving to higher levels. Milk yields too have improved significantly and production is running at a higher level than a year ago. There is a reduction in cow numbers. But even here there are grounds for believing that the dairy herd will expand again from a more efficient base," he said.

The Minister was guarded in his estimate of the harvest which he thought the North of England seemed to have fairly good prospects, but that in the south, particularly of spring barley were disappointing. He thought, however, that there would be enough fodder for the next winter in spite of the fact that the drought was severely curtailing pasture.

Those attending the lunch, merchants, processors and farmers, were guarded about the harvest prospects and the outlook for the year. It was accepted that the winter wheat crop would be a large one because of a greatly increased acreage but the prospects for barley are very mixed and there were some state-of-the-art forecasts of a disaster level on some of the lighter soils.

It was generally agreed that the scorching weather of the first ten days of July plus the aphid status did more harm to the growing crops than was realised at the time and the result is being seen in very thin samples of wheat in particular.

Sugar price decline

By Our Commodities Staff

WORLD SUGAR values continued to decline yesterday with the October futures position dropping to \$17.35 from \$17.50 a ton, the lowest level since early March. In the morning the London daily raws price was fixed \$4 lower at \$166 a ton.

The change in the European market was due to a combination of factors, including a report that the U.S. had increased its export quota for sugar to 100,000 tons.

Currency mini-basket payment system

BY OUR GEORGETOWN CORRESPONDENT

THE GUYANA Bauxite Company is a fair and equitable mechanism. The plan went into operation on January 1, 1976, which because the "opening date" for the purposes of the CCU. As implemented, the mini-basket comprises one U.S. dollar plus a dollar's worth of sterling, Deutschmarks, and Swiss Francs, on the basis of values ascertained during the first week in December, 1975.

The contract price is denominated in a fixed number of CCUs which will remain unchanged except for contractual escalation. A buyer who contracts to pay, say, CCU 25 per ton of the opening date would pay U.S.\$100 or £49.47 or DM261.51 per ton. The payments currency is specified in the contract.

At the time the scheme was devised, GUYBAU was not collecting in either the Yen or the Swiss Franc, so the plan does not provide for collecting in either currency. However, Mr. Thompson explained that the Swiss Franc was put into the basket as a stabilising factor and GUYBAU reserves the right to collect in that currency to future if circumstances make it desirable.

By shipment week starting May 3, the U.S. dollar was worth \$0.5462 or DM2.5331 or SF2.5259. By then, a contracted price of CCU 35.00 per ton meant U.S.\$99.88 or £49.47 or DM252.99 per ton.

Mr. Thompson feels that the scheme is inherently a stabilising one as far as GUYBAU's earnings from colcoated bauxite are concerned and that it provides "an automatic and equitable adjustment of contract prices in so far as these are influenced by fluctuating international exchange rates."

In his statement in the 1976 GUYBAU Report, he commented: "By denoting an

Adjustments

The results of the operation of the CCU for the first quarter showed that positive adjustments were made for three payments currencies in the first five weeks. Only negative adjustments were made for the Deutschmark after that, while positive adjustments were made for Sterling throughout the period, and three negative adjustments made for the U.S. dollar.

In this context, a positive adjustment indicates a weakening of the specific currency vis-a-vis others in the mini-basket while a negative adjustment represents a corresponding strengthening.

According to the published figures, the CCU values which in January 1976 were U.S.\$1.9788/DM10.4604/SF10.6696 (as compared with SDR3.4751) moved by the end of the first quarter to U.S.\$1.9013/DM10.4544/SF10.0134 (as compared with SDR3.4752).

COMMODITY MARKET REPORTS AND PRICES

LONDON 1976 1980			
Unit	1976	1980	1980
1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00
5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00
7.00	7.00	7.00	7.00
8.00	8.00	8.00	8.00
9.00	9.00	9.00	9.00
10.00	10.00	10.00	10.00

PRICE CHANGES

Commodity	Unit	Price
1.00	1.00	1.00
2.00	2.00	2.00
3.00	3.00	3.00
4.00	4.00	4.00
5.00	5.00	5.00
6.00	6.00	6.00
7.00	7.00	7.00
8.00	8.00	8.00
9.00	9.00	9.00
10.00	10.00	10.00

U.S. Markets

Commodity	Unit	Price
1.00	1.00	1.00
2.00	2.00	2.00
3.00	3.00	3.00
4.00	4.00	4.00
5.00	5.00	5.00
6.00	6.00	6.00
7.00	7.00	7.00
8.00	8.00	8.00
9.00	9.00	9.00
10.00	10.00	10.00

CONTRACTS AND TENDERS

Contract	Value	Location
1.00	1.00	1.00
2.00	2.00	2.00
3.00	3.00	3.00
4.00	4.00	4.00
5.00	5.00	5.00
6.00	6.00	6.00
7.00	7.00	7.00
8.00	8.00	8.00
9.00	9.00	9.00
10.00	10.00	10.00

ART GALLERIES

Gallery	Address	Phone
1.00	1.00	1.00
2.00	2.00	2.00
3.00	3.00	3.00
4.00	4.00	4.00
5.00	5.00	5.00
6.00	6.00	6.00
7.00	7.00	7.00
8.00	8.00	8.00
9.00	9.00	9.00
10.00	10.00	10.00

FINANCIAL TIMES

Index	Value	Change
1.00	1.00	1.00
2.00	2.00	2.00
3.00	3.00	3.00
4.00	4.00	4.00
5.00	5.00	5.00
6.00	6.00	6.00
7.00	7.00	7.00
8.00	8.00	8.00
9.00	9.00	9.00
10.00	10.00	10.00

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